Orora Annual Report 2024

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Orora is a global leader in sustainable and innovative packaging solutions.

Overview

Every day, we design and deliver products and services that enable our customers' brands to thrive. We are listed on the Australian Securities Exchange (ASX) and we are proud to operate a number of best-in-class businesses across the world.

Our operations span Australasia, North America, Europe and the United Arab Emirates. We manage a network of manufacturing, decoration, distribution and visual solutions sites across the world. With a unique global footprint, we offer customers unparalleled capabilities, expertise and scale.

29
Manufacturing Plants

104
Distribution Sites

8,100
Team members

43,000
Shareholders

Map of operations

Global Beverage

Orora's global beverage business leads the industry in premium glass, closures and aluminium can packaging solutions.

Our Global Glass network produces a spectrum of quality glass packaging, ranging from the manufacture and decoration of high-end glass bottles to standard bottles and closures. Our highly successful Cans business is made up of a network of best-in-class manufacturing sites across Australia and New Zealand.

- Glass Manufacturing
- Glass Decoration
- Closures Manufacturing
- Cans Manufacturing

Orora Packaging Solutions

Orora Packaging Solutions (OPS) is a leading vertically integrated provider of sustainable manufacturing, distribution and visual solutions across North America.

We are a market leader in custom packaging design, automation, supply chain optimisation and visual solutions for a broad range of sectors. We are focused on leading the transition to a more sustainably packaged future.

- OPS Distribution
- OPS Manufacturing
- Orora Visual

Saverglass becomes part of the Orora Group

In December 2023, Orora acquired Saverglass, a global leader in the design, manufacture, customisation and decoration of high-end glass bottles for the premium and ultra-premium spirit and wine markets. Together, we will benefit from our highly complementary operations across product capabilities, a global production footprint and broad customer distribution networks.

FY24 financial overview

Our financial year 2024 results reflect a resilient earnings performance in challenging market conditions. The acquisition of market leading business Saverglass represented a transformational investment for the Orora Group, which has contributed earnings growth. Beyond the acquisition, the remaining business continued to focus on execution of our strategy, whilst maintaining a balanced and disciplined approach to capital management.

Group Sales Revenue

$4,697.6m

↑ 9.5%

Orora Packaging Solutions (USD million)

$1,954.5m

↓ 10.8%

Global Beverage (AUD million)

$1,716.3m

↑ 65.5%

↓ 2.5% ex Saverglass

Underlying Group EBIT

$404.0m

↑ 26.0%

Orora Packaging Solutions (USD million)

$109.5m

↓ 2.7%

Global Beverage (AUD million)

$237.0m

↑ 54.6%

↑ 2.0% ex Saverglass

NOTE REGARDING NON-IFRS FINANCIAL INFORMATION

Throughout this report, Orora has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Orora uses these measures to assess the performance of the business and believes that the information is useful to investors. The following non-IFRS measures have not been audited but have been extracted from Orora's audited Financial Statements: Earnings Before significant items, Interest and Tax (EBIT); Earnings Before significant items, Interest, Depreciation, Amortisation and Tax (EBITDA). Performance measures such as Earnings Per Share (EPS), RoAFE and EBIT margins have been calculated using the non-IFRS measures listed above. All other non-IFRS measures, unless otherwise stated, have not been extracted from Orora's audited Financial Statements. References to earnings throughout this report are references to EBIT before significant items.








Financial Overview[1]

- Underlying EBIT increased 26.0% and underlying NPAT increased 10.2% due to the acquisition of Saverglass.
- Underlying Earnings Per Share (EPS) of 17.9 cents, down 4.3 cents, reflecting additional shares post raising equity for the acquisition of Saverglass.
- Global Beverage inclusive of Saverglass increased EBIT 54.6% with seven months of Saverglass earnings included.
- Excluding Saverglass, Global Beverage, underlying EBIT increased 2.0% reflecting growth in the Cans business partly offset by ongoing soft demand for commercial wine.
- Increased capital expenditure of $256m supporting capacity growth in Cans, the new Saverglass business and transformation of the G3 glass furnace at Gawler.
- Underlying operating cash flow continues to be strong at $397.0m, an increase of 47.1%.
- Final ordinary dividend declared of 5.0 cps (unfranked), taking the full year dividend to 10.0 cps, representing a payout ratio of 60.5%.

Underlying Group NPAT

$223.7m

↑10.2%

RoAFE[2]

20.7%

↓110 bps

Underlying Earnings per share

17.9 cps

↓19.4%

Underlying operating cash flow

$397.0m

↑47.1%

Dividend per share

5.0 cps

60.5% payout ratio

[1] Except as expressly defined in this Annual Report, $ refer to Australian dollars. The financial periods presented above represent underlying earnings excluding the impact of significant items. FY24 excludes a significant item expense after tax of $38.5 million (pre-tax of $40.4 million) which reflects transaction costs associated with the acquisition of Saverglass. FY23 excludes a significant item expense after tax of $18.2 million (pre-tax of $26.0 million) recognised with respect to the decommissioning of the former Petrie mill site.

[2] Excludes Saverglass.

A message from the Chair

"The Board and management believe the acquisition of Saverglass will deliver significant growth opportunities in future years."

Orora delivered a resilient operational performance in FY24, achieving EBIT growth in the face of challenging market conditions, while we continued our portfolio realignment with the acquisition of Saverglass. The Board and management believe this acquisition will deliver significant growth opportunities in the years ahead.

Across the Group we continued to invest in our Cans and OPS businesses, which together with the addition of Saverglass, sets a platform for long-term sustainable growth.

The acquisition of Saverglass in December 2023 marked a major milestone in Orora's ongoing realignment of the Group portfolio that commenced with the sale of the Australian Fibre business in FY20.

Orora's business model is substantially enhanced by the addition of Saverglass to the Group. We now hold a leading market position in most specialised glass bottle categories across the world, with exposure to the higher growth premium spirits and wine categories. The synergies with our South Australian Gawler glass manufacturing plant are significant.

In a global market trending toward premiumisation, Saverglass' unique customer value proposition is centred on its capacity to create tailored and bespoke exclusive bottle designs, a competitive advantage that is difficult to replicate.

With a sales presence in more than 100 countries and a 15-year average relationship with customers, Saverglass represents compelling long-term growth potential. This long-term view is fundamental to assessing the prospects of our new Global Glass business.

In the months following our acquisition both Saverglass and our Australian operations confronted a period of broad customer de-stocking and softer consumer demand, which placed pressure on volume growth. In North America, the prevailing macroeconomic environment, characterised by higher inflation and interest rates, led to reduced demand and manufacturing volume.

We are confident that these conditions are cyclical and that across the Group we are well positioned for volume recovery. Our Global Glass business provides flexibility and effective capacity planning while record production volumes in our Cans business, supported by strategic capital investment provides a sound growth platform for the Beverage unit. Ongoing transformation initiatives and investments in the salesforce in North America are reflected in margin expansion despite a challenging operating environment.

Pleasingly the integration of Saverglass, both from an operational and cultural perspective is progressing well. Our teams across the world are working closely together to drive the results and synergies we targeted through a combined global footprint.

This is an embodiment of our "One Orora" commitment to operating as one unified group celebrating the elements that unite us as well as our differences. Pleasingly, our shared commitments to sustainability and safety have stood out and again position us well as we look to drive operational improvements and growth.

A personal highlight was our Board meeting and site tours at Saverglass headquarters in Feuquières in April. This reinforced the overall strength of the Saverglass operations and demonstrated how well the business has invested in its world-leading assets. The opportunity to meet many Saverglass leaders and team members was valuable in understanding the level of individual ownership, matched with a strong and tangible commitment to succeed.

Group Financial Performance

The Group demonstrated resilience in its earnings performance for FY24, in the face of macroeconomic headwinds. Group Earnings Before Interest and Tax (EBIT) (excluding Saverglass) were $323.4m in line with FY23 and ahead of the updated guidance provided in April, reflecting a gradual improvement in conditions.

Underlying EBIT, inclusive of a seven-month contribution from Saverglass, was $404.0m, a 26% increase on FY23. Underlying Net Profit After Tax (NPAT) of $223.7m increased 10.2% with higher interest expense due to additional acquisition debt.

Underlying Earnings Per Share (EPS) reduced 19.4% to 17.9 cps, a result of the equity raising to support the Saverglass acquisition increasing share volume.

Strong cash generation continued with underlying operating cash flow of $397m [$291.4m excluding Saverglass] and improved working capital delivering cash conversion of 80.5% (excluding Saverglass and base capex for the G3 furnace rebuild).

These results reflect a period of transition for Orora in FY24. Through our strategic acquisition, diligent capital management and the resilience we have built we are confident in our long-term growth prospects.

Capital Management

The Group remains committed to prudent capital management and disciplined capital allocation, as we enter a new phase following the formation of our Global Glass business.

Capital expenditure remains strictly focused on value-add initiatives that additionally build sustainability credentials with total capital expenditure of $256m consistent with guidance.

In Australasia, growth capex investment continues to fund expansion of capacity and drive further earnings growth for Cans, including a new canning line at Revesby and a new digital printer (named Helio) at our Dandenong facility.

These investments are critical in meeting increasing customer demand and are expected to drive increasing returns in coming periods.

Growth capex of $153.5m contributed to the G3 furnace rebuild with oxyfuel technology at Gawler, a program that began in FY23. This work is expected to be completed during the first half of FY25.

Net debt increased by $979.5m to $1,753.5m, attributable to the acquisition of Saverglass. Orora remains well within all debt covenant requirements and at 30 June 2024 had committed undrawn debt facilities and cash of $865.1m to provide the Group's liquidity requirements.

A final dividend of 5.0 cents per share represents a payout ratio of 59.2%, and total FY24 dividend of 10.0 cents per share, at a ratio of 60.5%. While at the lower end of the target range, the Board considered that a lower dividend was prudent while debt leverage remains elevated.

Investing in Innovation for a Sustainable future

During FY24 we continued to make good progress toward the sustainability goals we set ourselves. Since 2019 we have reduced emissions by 17.8% (Location-based factors, Scope 2) and 13.8% (Market-based factors Scope 2), reflecting ongoing investment across the Group in sourcing renewable energy and other energy efficiency initiatives. Consideration of our commitments with respect to Scope 3 emissions continued during the year.

Pleasingly, Saverglass has an embedded sustainability program that is characterised by a strong decarbonisation agenda and clear targets, which are in line with Orora's overall objectives. The Saverglass team have made promising progress in investigating new manufacturing techniques designed to reduce energy intensity in the manufacturing process while preliminary work has also been done to investigate alternative fuel sources.

From FY25, both Orora and Saverglass sustainability activities and performance will be combined and reported on together.

Board renewal

During the year we farewelled Independent Non-Executive Director Sam Lewis, a former Chair of the Audit, Risk & Compliance Committee (ARCC), who joined the Board in early 2014.

Abi Cleland, Chair of the Safety, Sustainability and Environment Committee will also retire in 2024, having joined the Board in 2014.

Both Sam and Abi have been with Orora from the time of the business' formation and have made an incredible contribution as we realigned our portfolio of assets post the demerger from Amcor. On behalf of the Board, I thank them for their dedication and commitment to Orora.

We were pleased to welcome Sarah Hofman to the Board as an Independent Non-Executive Director, and importantly as Chair of the ARCC. Sarah's expertise spans capital markets and financial services regulation with experience across the UK, Europe, and Asia Pacific.

We also welcomed Claude-Alain Tardy as an Independent Non-Executive Director. Claude-Alain brings more than 40 years operational management experience to Orora, with extensive experience in strategic thinking, operational excellence, health and safety, human resources and sustainability, having worked across South America, Europe, the USA and Asia.

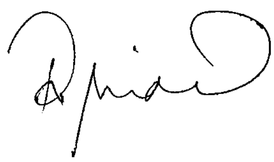
The Board will ensure we continue to have an appropriate mix of skills, experience, knowledge and diversity for the Orora Board moving forward.

Looking ahead and acknowledgements

Orora remains well positioned for growth and a sustainable future following the achievements of FY24. The investments we have made in the business will stand us in good stead as we continue to navigate challenges in the broader market, which we expect to persist over the first half of FY25.

The Group continues to provide investors with a robust and defensive earnings profile and strong growth prospects, favourably positioned in sustainable consumer packaging. We believe we are well placed to drive continued earnings growth through the execution of our strategy.

I would like to thank our shareholders for their ongoing support, in what has been a challenging but nevertheless transformational year. I also express my sincere appreciation to Brian and the global teams for their outstanding work to deliver this year's result and in building a platform for future success.



Rob Sindel
Chair

A message from the Managing Director and CEO

"In FY24 we navigated a challenging market environment, delivering a financial performance consistent with FY23 and reflective of the resilience of our business."

FY24 was an historic year for Orora, in which we celebrated our 10th birthday and invested in our long-term future through the acquisition of Saverglass. At the same time, we navigated a challenging market environment, delivering a financial performance consistent with FY23 and reflective of the resilience of our business.

The Group reported Earnings Before Interest and Tax (EBIT) of $323.4m (not including Saverglass). Inclusive of seven months of Saverglass performance, underlying Group EBIT was $404.0, with growth impacted by a period of global customer de-stocking and a slowdown in consumer demand that placed pressure on volumes shortly after the acquisition completed.

Despite ongoing challenging macroeconomic conditions, all business units performed to expectations in the final quarter, with results marginally ahead of guidance provided in April, in a positive indication of broader recovery.

We continued our approach to disciplined capital allocation across the Group while programs to build our capacity in Australasia and the ongoing optimisation of our North American operations progressed well during the year.

A particular highlight was our tenth anniversary celebration as an ASX listed company, in December. The celebrations were based around the theme '10 Years Strong' to recognise the strength of the business and what we've achieved over the past ten years. That strength was particularly evident during such a transformational year for the Group.

Saverglass - unlocking the potential of a truly global glass business

The acquisition of Saverglass in December 2023 was an important and exciting milestone for Orora, representing a compelling and logical progression of our growth strategy.

Not only is Saverglass well aligned with Orora's investment proposition, it also delivers against Orora's three strategic pillars: Optimise to Grow, Enhance and Expand and Enter New Segments.

Saverglass has a market leading position in most specialised bottle categories in higher growth premium spirits and wine. The scale, mix and diversity of Saverglass is enhanced by the integration of our Gawler facility. Across seven sites we operate 12 furnaces, with four dedicated decoration facilities. From 1 July 2024 we began managing these sites as a global glass business, with three key operating regions of Asia-Pacific, Europe and the Americas.

We now have the ability to service customers across all key locations across the globe. Our sites are strategically located in close proximity to the production regions of our customers, whether they be champagne or cognac customers in France, tequila customers in Acatlan (where all major tequila companies are based), or wineries in the Napa or Barossa Valley.

Saverglass' historical record of performance over time, through various market cycles is another sound fundamental of this acquisition and its investment thesis. This is particularly relevant now, during a current cyclical period characterised by softer trading conditions. Our unique value proposition, combined resources and global reach provide confidence that we are well positioned for long-term growth.

Safety update

The health and safety of our people remains a fundamental and ongoing commitment and during FY24 we continued to deliver on our FY23-FY25 Global Health & Safety strategy.

It is especially pleasing to report that we recorded a marked improvement in our safety performance in FY24, reflecting our concerted focus on safety awareness and management.

Our teams have been working with their counterparts at Saverglass to coordinate our efforts, where a rigorous safety program is also in place. From FY25 we will adopt a combined approach to implementing and reporting our safety-focused activity.

Operating highlights - Global Beverage (Australasia)

The Australasia business delivered a sound performance in FY24, with EBIT growth of 2.0% in line with expectation and reflective of difficult trading conditions. Revenue declined 2.5% primarily due to a soft demand in the commercial wine market, however this was offset by another strong performance in our Cans business. While Cans revenue was flat due to lower aluminium prices, record cans production delivered volume and earnings growth, with production capacity maximised across our sites.

Strong can production volumes were enabled in part by the launch of a multi-sized production line at Dandenong at the beginning of FY24, which supported an ongoing customer shift in preference to different can formats. Further increased production capacity will be realised at our Revesby site during the first half of FY25, with a second canning line due to come online. These activities reflect recent capex investments designed to drive growth and earnings.

Preparations are also well underway for the arrival of our state-of-the-art digital printer, known as Helio, in Dandenong, during FY25. As indicated last year, this is set to be a transformative change for the Asia-Pacific marketplace, adding a further compelling aspect to our value proposition.

From a Glass perspective, the removal of Chinese tariffs on wine during the year was a positive development for Australia's wine producers, however we anticipate that this will take some time to be reflected in volume recovery, likely in the second half of FY25.

We continued to introduce new categories into our product mix, as we maximised production capacity. Our first run of glass jars was completed late in the year, following the introduction of carbonated water and olive oil glass products over recent periods.

Operating Highlights - OPS (North America)

OPS recorded EBIT of US$109.5m, down 2.7% on FY23, which was reflective of the softer macroeconomic environment with manufacturing activity across many segments impacted by ongoing inflation and consumer spending pressures.

Despite this, the EBIT result was slightly ahead of guidance provided in April, indicating early signs of volume recovery and reflective of a program of ongoing business transformation and our investments in optimisation to drive growth.

Targeted digital marketing campaigns continue to increase our visibility to high growth segments, while salesforce investment and supporting team member development remains a priority for OPS.

During the year Orora Visual phased out a series of old digital printers and replaced them with four new digital printers that are expected to support increased volume while improving energy efficiency by up to 70%.

A strategic priority for OPS remains to increase the penetration of sustainable packaging products and convert customers away from traditional formats, an initiative supported by the launch of a new Sustainable Design Lab in California. The state-of-the-art facility provides guidance to customers on the environmental impact of their product choices.

The disciplined approach to cost management and business investment during this challenging period provides optimism for sustained volume recovery over the long term.

Operating Highlights - Saverglass

Saverglass EBIT in the seven months following the acquisition was €48.8m. This is consistent with the April 2024 trading update and is reflective of the global de-stocking pressures that impacted the market.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (in French GAAP terms) of €85.4m represents a margin of 20.0% and annualised EBITDA of €146.4m.

During this de-stocking period the business pivoted to adjust to the operating environment, aligning production schedules with underlying demand. This flexibility is consistent with Saverglass' long-term record of performing "through the cycle" and adapting to different market conditions. We remain confident of incremental recovery, particularly following the establishment of our new Global Glass business.

The restructured business will be supported by an expanded North American reach following the commissioning of a new glass furnace in Mexico during the year.

Saverglass has also made promising progress in exploring new renewable energy sources. In additional, a low carbon hybrid furnace at the Feuquières site, has the potential to reduce emissions by around 12% per tonne of glass produced.

Sustainability update

We made good progress toward our sustainability goals in FY24, under our established Climate Change, Circular Economy and Community pillars.

Our efforts to increase the recyclability of our products delivered positive results during the year, with our use of recycled glass (cullet) increasing to 50% - up from 38% in FY23. We're progressing well toward our Group target of 60% recycled content in our manufactured glass containers by 2025.

Development of our first oxygen-fuelled furnace at Gawler progressed in line with the schedule in FY24, with completion expected during the first half of FY25.

The new furnace will deliver both production and sustainability benefits, helping reduce emissions by up to 20%, moving into the top 10% of energy efficient furnaces in the world. This investment will not only support further growth but is central to achieving our sustainability goals, particularly a 40% reduction in Co_2 emissions by 2035.

We also made further progress in our program to increase energy efficiency through the adoption of renewable energy sources, with our Cans site in Rocklea now powered by electricity secured from two wind farms, through an agreement with CleanCo, a Queensland Government owned energy provider. Our agreement for solar energy usage at Gawler was also initiated during the year.

Our overall sustainability commitments and targets are well aligned with those of Saverglass, which has a comprehensive sustainability program in place. We are working closely with Saverglass to implement a combined approach to sustainability and look forward to reporting sound progress together in FY25.

Looking ahead

We approach FY25 with a sense of cautious optimism, however we are mindful that conditions, while improving, will take some time to normalise.

The new Global Glass business is well positioned to benefit from ongoing industry premiumisation while we will be focused on realising the synergies and opportunities it presents. We anticipate some volume recovery during the second of half of FY25 as pressure from the de-stocking cycle alleviates.

Investments in production capacity, product offerings and digital printing capability position our Cans business for increased production volumes and further growth.

In OPS, we will continue to drive efficiencies within the business and expand margins through investment in new equipment, while driving footprint optimisation, improving asset utilisation and expanding the size and scope of our sales team to support organic growth.

I express sincere thanks to our teams who have done an amazing job during a year like no other. They have brought Saverglass into our operations while at the same time driving the business forward amidst a difficult trading environment, displaying resounding fortitude and great passion.

I'd also like to thank our customers and suppliers for continuing to partner with us.

Brian Lowe
Managing Director and CEO

We are One Orora

Established in FY21, One Orora represents the elements that make up our DNA – our team, culture and strategy.

One Orora is a shared definition and understanding of what it means to be Orora today and how we position ourselves for the future. It expresses the essence of Orora, what we do and how we do it, to take the best of who we are and our past, into the future.

One Orora respects our differences, and leverages our diversity, to deliver sustainable outcomes across our businesses.

The elements of One Orora are designed to unify and guide our teams across the Group, no matter where in the world they are.

During FY24, the importance of One Orora was strongly reflected through the Saverglass acquisition and the subsequent work conducted to bring our businesses together.

One Orora

Every day, across our businesses, we deliver sustainable and innovative packaging and visual solutions that lead the industry and bring our customers' brands to life.

Together we deliver on the promise of what's inside.

Our Purpose
To be a leading **sustainable** packaging solutions provider, designing and delivering products and services that **enable our customers' brands to thrive**

Our Identity
We operate a **portfolio** of **customer-focused** packaging businesses aligned by our **common purpose** and **unifying principles**

Our Strategy
- Optimise to grow
- Enhance and expand
- Enter new segments

Our Principles
- Customer value-add
- Digitally-enabled
- Diverse talent
- End-to-end capabilities
- Innovation
- Operating excellence
- Staying safe
- Sustainability

Our Values
- TEAMWORK
- PASSION
- RESPECT
- INTEGRITY

One Orora in action

Orora and Saverglass - Stronger Together

The acquisition of Saverglass in late 2023 was one of the most significant milestones in Orora's history.

While there was a compelling commercial argument to bring the businesses together, aligning them in both an operational and cultural sense became the priority once the acquisition completed.

Teams from Orora and Saverglass set to work immediately on this task and it was through this ongoing collaboration that the value of One Orora was clearly demonstrated. Pleasingly, it became quickly evident that while the businesses shared the key investment fundamentals upon which the acquisition was based, there was also a sound alignment of values.

A theme of "*Stronger Together*" - an overarching principle that guided various workstreams was set up to manage the alignment of the two businesses.

The teams developed 12 month transition plans and have been focused on learning about the way each business operates to seamlessly bring them together for a new beginning as a stronger One Orora from 1 July, 2024.

A key milestone was the adoption of a new Orora Saverglass logo.

The design is intended to preserve the integrity and strong brand value of the Saverglass logo while also reflecting its new status as part of the Orora Group. The adoption of the logo was significant, given the proud history of the Saverglass business and the strong recognition and trust the brand held in the marketplace.

The logo was incorporated across digital Saverglass assets in the second half of FY24 and is now well represented across Saverglass sites around the world.

Orora Group strategy update

The three core pillars of Orora's strategy continue to form the basis for strategic planning, drive focused business activity across our portfolio and enable us to capitalise on growth opportunities as they emerge.

Orora's strategic pillars:

1. Optimise to grow
2. Enhance and expand
3. Enter new segments

We maintain a disciplined focus on creating value for customers and shareholders, as we continue to leverage the core capabilities of the Group to maximise the effectiveness of our businesses.

Investment is supported by increasing innovation and supplemented by an ongoing focus on optimisation opportunities and operational efficiencies.

During FY24, the acquisition of Saverglass represented a clear strategic alignment with Orora's key strategic pillars and delivery against our long-held strategic intent.

PRINCIPLE IN FOCUS

Innovation

Innovation is one of Orora's eight strategic principles facilitating our strategy.

Across the Group we focus on investing in innovation to support our customers' needs and create a strong platform for sustainable growth. During FY24 we were pleased to launch several new initiatives that encapsulated our commitment to innovation.

Orora Beverage Cans launched *Helio*, a new state-of-the-art, direct-to-shape digital printing solution, in a transformative first for the Oceania market. The digital printer will be established at our Dandenong facility, with a target installation date in the first half of FY25.

Helio allows customers to choose from unlimited colours in their can packaging designs (from the limit of eight colours available in current traditional methods), while different textures can also be applied to can surfaces. Most importantly, *Helio* will provide the benefit of quick turnarounds from design to delivery, eliminating the lead time required to prepare the traditional printing plates.

Our OPS team in North America also launched a new Sustainable Design Lab during FY24. Located at Newark, California, the 20,000 square foot facility places sustainability at the heart of packaging research and design, assisting customers to understand the environmental impact of different packaging material choices, and then leveraging that insight to design and create more sustainable packaging solutions.

The Lab brings seasoned packaging engineers, advanced 3D modelling and prototyping technology, Life Cycle Assessment Tools, and certified International Safe Transit Association (ISTA) testing capabilities together under one roof. These are just some of the innovations we expect will strengthen our value proposition and competitive advantage across various markets.

Saverglass - Delivering against our strategy

Saverglass represents the compelling acquisition of a high-quality business, enhancing Orora's strategic advantage, scale, diversification and future growth opportunities.

Saverglass will become the centrepiece of Orora's Global Glass business, and will operate as a third platform for growth, under the leadership of Orora and Saverglass' highly experienced management teams.

Orora and Saverglass will mutually benefit from their highly complementary operations across product capabilities, geographic footprint and customer and distribution networks.

In every respect, the acquisition met Orora's strategic priorities: Optimise to Grow, Enhance and Expand and Enter New Segments.

Saverglass enhances Orora's business model

CREATES A UNIQUE GLOBAL FOOTPRINT

Orora provides Saverglass with production capability in the Asia-Pacific region, enhancing its operational flexibility and customer proposition

NETWORKING GAWLER

Gawler's value proposition and performance is enhanced through the establishment of a global glass business

LEVERAGING COMBINED EXPERTISE

Orora and Saverglass will each benefit from collaboration and sharing of expertise across operations, technical capability, sustainability and procurement

UTILISING ORORA'S NORTH AMERICAN FOOTPRINT

Orora's substantial footprint and established network can support Saverglass' growth in North America

ENHANCED CUSTOMER NETWORK

Attractive opportunity for Saverglass to leverage Orora's existing North American and Australasian Beverages customers

SUSTAINABILITY

Sustainability is a key focus for both Orora and Saverglass, sharing well aligned decarbonisation targets. Together we will continue to drive leading sustainability outcomes

Creating a truly global glass business

From a commercial, product and geographic perspective the combination of Saverglass and Orora is expected to unlock significant value creation opportunities for the combined Group. In addition, network optimisation, cost rationalisation and operational efficiencies are expected to deliver incremental financial benefits.

While in the months following completion of the acquisition, the broader Group was faced with a period of customer de-stocking which has temporarily impacted production volumes, our new platform ensures we are well positioned as a leading global glass business once industry volumes recover and normalise, reinforcing our long-term robust and defensive earnings profile.

Moving forward, the combined Group will continue to target market segments with appealing growth and financial return characteristics.

Our rigorous approach to capital allocation ensures any growth opportunities are assessed thoroughly and only value-add investments that meet our stringent return criteria are pursued.

Progress against our strategy

Following the acquisition of Saverglass in December 2023, we have evolved our reporting segments, with Australasia becoming part of a newly formed Global Beverage business unit.

Within Global Beverage, we will maintain the existing Glass, Cans and Closures businesses, as well as the new Saverglass business.

We remain committed to delivering and reporting progress against our strategic pillars. This means achieving acceptable organic growth, meeting returns focused hurdles and making appropriate investments whilst ensuring a disciplined approach towards capital management, in accordance with our shareholder value blueprint.

Each Orora segment has a clear set of strategic priorities aligned to our three strategic pillars. In FY24, we maintained our steadfast focus on delivering these priorities realising progress across both OPS and Global Beverage to firmly position Orora for growth.

Our strategic priorities

SEGMENT PRIORITIES	Optimise to grow	Enhance and expand	Enter new segments	FY24 progress
ORORA PACKAGING SOLUTIONS	• Effectively harnessing data via SAP • Improved operating discipline and rigour • Leverage suppliers and procurement processes	• Increase size of salesforce and enhance sales force effectiveness • Expand digital tools for account profitability and pricing • Execute digital transformation in growth marketing	• Expand engineering, design, and service capabilities • Drive increased penetration of sustainable products • Pursue expansion in underrepresented geographic markets	• Embedded pricing disciplines • Proactive management of suppliers to drive COGS reduction • Bolster Mexico footprint and sales capability • Maintain focus on salesforce investment - intensive sales rep training program • Continued operating cost discipline • Investment in digital marketing, harvesting data and insights to drive growth • Sustainable Design Lab - launch of new capability and customer offering
GLOBAL BEVERAGE - Saverglass - Gawler glass - Cans - Closures	• Manufacturing and supply chain excellence • Increase recycled content • Continue to drive salesforce effectiveness and account profitability • Infinitely recyclable substrate • Continued focus on light-weighting	• Build capacity to meet increased Cans customer demand • Investment in digital printing capability on cans • Ongoing innovation and investment • Customer led e-commerce solution to tackle complexity	• New products • Expand products and services into new categories • Explore adjacent categories in existing markets • Pursue scale and geographic footprint expansion	• Completed strategic acquisition of Saverglass, delivering against strategic pillars • Optimisation of Glass product mix • Focus on light-weighting capabilities in glass, driving cost and sustainability benefits • Expanded cullet sources and increased level of recycled content in glass • Continued investment in Cans capacity, with Dandenong second line fully operational and work continuing on construction of second line in Revesby • Drove supply chain excellence and pursued further automation

Shareholder value blueprint

Our three strategic pillars are also fundamental to Orora's blueprint for shareholder value creation.

Our target, to achieve top quartile Total Shareholder Return (TSR) performance for our shareholders, remains unchanged and we continue to pursue it by executing on our strategy.

Three key components drive Orora's TSR performance as outlined in the blueprint.

These include applying a returns-focused, risk-weighted investment approach (for capital projects and acquisitions) across each of our strategic pillars.

The blueprint shows we will target a return that represents an appropriate premium to Orora's weighted average cost of capital (WACC) based on the risk associated with the investment.

There have been some minor updates to some of the elements that sit under the Organic Growth and Returns-Focused Investment Pillars following the Saverglass acquisition.

For the Capital Management Pillar, there are no changes to the elements that relate to this Pillar, however we have re-ordered them to recognise that the Target Leverage of 2.0 - 2.5x sets the overall framework for prioritising discretionary Group cashflows such as dividends and capital returns.

Our Target leverage range sets the framework for prioritising discretionary cashflows. This framework and prioritisation recognises that with a forecast leverage ratio of approximately 2.8x at June 2024, our short-term priority is to return our leverage ratio to within our 2.0x - 2.5x target range.

Shareholder value blueprint

Orora applies a returns-focused, risk-weighted approach to investment and capital management decisions

TSR Component	ORGANIC GROWTH		RETURNS-FOCUSED INVESTMENT		CAPITAL MANAGEMENT		
Strategic Pillar	Optimise to grow		Enhance and expand	Enter new segments	Disciplined approach to capital allocation		
Element	Global Beverage	North America	Capital Investment	Acquisitions	Sensible leverage	Sustainable dividend	Potential additional capital returns
	• GDP+ sales growth • Supported by favourable industry tailwinds (e.g. premiumisation) • Enhanced by innovation and market share gains • Ongoing benefits from operating efficiencies	• GDP sales growth • Supplemented by market share gains • Ongoing benefits from operating efficiencies	• Enhance sustainability profile and product capabilities across portfolio • Deliver customer-backed growth projects • Enhance digital capabilities across Group	• Expand market position and product capabilities in existing Glass markets • Expand product and service capabilities in North America • Potential footprint expansion in North American distribution and manufacturing • New market entry(s) in Glass	• Target leverage at 2.0 - 2.5x EBITDA (excluding AASB 16)	• Target payout ratio of 60% - 80% • Franked to the extent possible	• Assessed when appropriate • On-or off-market buybacks • Special dividends/ capital returns
	RETURN TARGETS		Lower — Premium to WACC — Higher		TARGET LEVERAGE SETS FRAMEWORK FOR PRIORITISING DISCRETIONARY CASHFLOWS		

Sustainability at Orora

Sustainability represents our promise to the future.

As a global leader in innovative packaging solutions, we take our responsibilities seriously when it comes to contributing to a more sustainable future.

During FY24 we made good progress in this area, under our three sustainability pillars of Climate Change, Circular Economy and Community.

We increased the use of recycled glass and aluminium, improved our energy efficiency and took significant steps to further reduce our carbon footprint.

Our Safety performance improved markedly during the year, with both Recordable Case Injuries and Lost Time Injuries reducing substantially, following a concerted focus on awareness and communication.

We are on track to achieve our interim climate change goal of 40% greenhouse gas emissions reduction by 2035 (for Scope 1 and 2) and our target of 60% recycled content in the glass products we manufacture by 2025. We continue to explore the use of less carbon intensive technologies while we work to improve the recyclability of our existing products.

The acquisition of Saverglass further enhances our sustainability credentials, through an established decarbonisation agenda and clear targets that are well aligned with those of Orora.

Highlights of Saverglass' sustainability activities are included in this Report.

During FY25 we will re-evaluate our sustainability activities and reporting metrics as one Group and our sustainability programs will be fully combined and reported on accordingly.

Informing our strategy

Our approach to sustainability was developed following stakeholder consultation and an independent materiality assessment. Our approach continues to evolve and is informed by our customers and investors, and our people and communities.

Our obligations as a signatory to the United Nations Global Compact (UNGC) continue to frame our sustainability approach to ensure compliance with applicable requirements (including the ASX Corporate Governance Council's Recommendation 7.4) and consider emerging landscapes and expectations.

Key materiality priorities

The Orora sustainability program focuses on six priority materiality aspects common across internal and external stakeholder inputs. These aspects are directly linked to our three sustainability pillars and have shaped the focus areas within Orora's sustainability approach.

Priority materiality aspects	Description	Sustainability pillar
Innovation & product design	Implementing best practice technologies and processes to improve product efficiency, productivity and sustainability. Promoting innovation in design to meet evolving customer and consumer expectations and needs.	Circular Economy
Product stewardship	Use of recycled or reused products and engaging with customers and end users on appropriate disposal and reuse to minimise waste and maximise renewal.	Circular Economy
Resource management	Ensuring sustainable management of resources, material use management and reducing the lifecycle impacts of products.	Circular Economy
Climate Change, energy use and GHG emissions	Addressing the risk of climate change by working in ways that actively manage energy use to minimise pollution and waste, and reduce greenhouse gas emissions and climate impact.	Climate Change
Business ethics, transparency & culture	Ensuring appropriate governance and conducting business with ethics, integrity and transparency. Enriching the lives of our team and communities, prioritising safety and health, and diversity, equity and inclusion.	Community
Responsible sourcing	Understanding the supply chain and identifying associated risks to integrity including protection of human rights.	Community

Our Governance model

Sustainability governance

Directing our strategy

The Orora Board oversees and approves our strategic direction, retains oversight of material sustainability risks and opportunities and the effectiveness of our corporate governance, and operates through the Safety, Sustainability and Environment Committee (SSEC).

Our Global Management Team (the CEO and Executive Leadership Team) oversees our corporate sustainability strategy, targets and material sustainability activities. Global Management Team members' remuneration is tied to a scorecard of performance measures at a Group level, which is used to determine Short Term Incentive (STI) award payable. The scorecard represents the key priority areas for the current year and includes sustainability as a strategic initiative. The Continuous Disclosure Committee (CDC) approves market release of sustainability performance data.

Each Orora segment has sustainability as a standing agenda item for all leadership team meetings to govern business strategy and activities, in line with our sustainability strategy.

Additionally, Orora delivers sustainability-related education to teams across the business. This can include training on human rights, recycling and recycled content and climate change related issues, as well as education on compliance matters such as 'greenwashing'. This is provided on a bespoke basis given the significant level of integration of sustainability into Orora's operations.

Orora Group Environmental Policy

During FY24, Orora's Group Environmental Policy was reviewed and updated to reinforce our commitment to environmental stewardship, our emphasis on sustainable practices, climate change mitigation and responsible resource management.

The policy focuses on minimising environmental harm and preventing pollution through our operations as well as promoting sustainability throughout our operations and supply chains. The policy ensures legal compliance, sets measurable goals, and involves regular reviews and stakeholder engagement for continuous improvement.

Reporting our performance

We report on our sustainability activity annually through the Communication on Progress (CoP) to the UNGC, outlining the actions we've taken to further implement the UNGC's Principles on governance, human rights, labour, environment, and anti-corruption.

We also continue to support the CDP[1], voluntarily disclosing information under the Climate, Water and Forest Risk sections. As part of our commitment to sustainable operations, we achieved a FY23[2] score of B- for Climate, B- for Water and C for Forest Risk in FY23.

Orora also submitted an annual report to the Australian Packaging Covenant (APC) in FY24[3] and was assessed as being in the highest 'Beyond Best Practice' category.

To further improve Orora's sustainability disclosures, we have engaged KPMG to provide Limited Assurance across all of the FY24 metrics reported in the Sustainability at Orora section of this Annual Report.

A copy of the KPMG Limited Assurance Report is on page 28.

[1] CDP, formerly known as the Carbon Disclosure Project.
[2] FY22 CDP scores are included in Orora's FY23 reporting, as CDP releases scores for the prior year each March.
[3] APCO 2022 Annual Report and Action Plan for Orora Packaging Pty Ltd: https://ororagroup.com/Orora_APCO_Annual_Report_2022

Saverglass - A new dimension to Our Promise to the Future

Saverglass has had a well-established Corporate Social Responsibility (CSR) program since 2019, guided by a strategic framework and clear set targets.

Underpinned by a commitment to sustainable product development and a dedicated decarbonisation strategy, the program aims to reduce scope 1 and 2 emissions by 50% and scope 3 emissions by 32%, by 2035.

The Saverglass CSR pillars of People, Nature and Communities closely reflect Orora's own while Saverglass' sustainability targets are equally commensurate.

The Saverglass approach to decarbonisation has also attained independent verification.

Saverglass has produced an annual CSR Report for the past three years, with the most recent edition published in March 2024. For the purposes of this financial year's report, Saverglass' overall commitments and activities will be reported separately from those of Orora.

In the seven months since the acquisition completed our teams have been working on incorporating the activities of both businesses to ensure alignment of our targets and commitments and to ensure we effectively deliver against them. Both businesses are also incorporating learnings and best practices from each other. From FY25, Orora will implement a combined and integrated sustainability program and report against it accordingly, reflecting the activities of the combined Group.

For FY24, Saverglass CSR highlights include:

- The re-commissioning of Furnace 5 at Feuquières as a low-carbon hybrid furnace with up to 30% electricity boost, delivering a 12% reduction of CO_2 emissions per tonne of glass produced.
- Successfully trialling the use of hydrogen at Feuquières as an alternative future fuel source.
- Continuation of testing the development of light weight bottles, with a digital modelling tool adopted by all product development teams. Simulations suggest bottles could weigh between 10-30% less, increasing energy efficiency.
- Launch of a Disability in Action Policy. This policy is guided by a steering committee from across all Saverglass sites, which conducted interviews and assessed data to build a plan and define the business disability policy. The policy focuses on several key themes:
  - Recruitment and integration
  - Job retention
  - Communication and training.

Saverglass highlights

TARGETS	**Carbon neutral by 2050** Saverglass has a goal of becoming carbon neutral by 2050	**50% Decrease** in GHG emissions intensity from its manufacturing processes by 2035	**74% Cullet rate** in coloured glass in 2025 - cullet replaces raw materials and reduces energy usage with no degradation of quality
ACCOMPLISHMENTS	**11% decrease** in total CO_2 emissions over the last 10+ years from regenerators, and the use of cullet and natural gas **~200t polyethylene saved p.a.** from recycled plastic pallet covers and single-wrapping	**78% organic inks** large majority of Saverglass' decorative concepts are made with organic inks **+9% cullet usage** in coloured glass from 2015 to 2021	**60% of water needs** met at the Feuquières plant from rainwater collected from roofs **100% recyclable** all of Saverglass' organic decorative concepts are recyclable

Our Promise to the Future

At Orora, we care about making a difference. Our approach to sustainability is embedded across our business and central to our strategy and our journey.
It's Our Promise to the Future.

Circular Economy

We're a proven leader in the circular economy

FOCUS AREAS

- Recycled content
- Recyclable packaging
- Recyclable substrates
- Certification

OUR PROMISE

60% recycled content* for Orora glass beverage containers by 2025

This target is aligned with recycled content targets supported by the Australian Packaging Covenant (APCO) organisation.

**Pre and post-consumer and excluding Saverglass*

Climate Change

We're committed to addressing climate change

FOCUS AREAS

- GHG reduction
- Energy efficiency
- Renewable energy
- Climate risk analysis

OUR PROMISE

Net zero emissions by 2050. 40% reduction in emissions by 2035*

We are committed to achieving net zero greenhouse gas emissions by 2050 for Scope 1 and 2 and achieving a 40% reduction in greenhouse gas emissions by 2035 for Scope 1 and 2 from FY19.

Our pathway between 2035 and 2050 will be confirmed over time and will require advances in technology.

**All Climate Change targets exclude Saverglass*

Community

We're working to enrich our communities

FOCUS AREAS

- Safety & health
- Diversity, equity & inclusion
- Human rights and supply chain
- Responsible sourcing

OUR PROMISE

Prioritising action for our people and our communities

We're focused on initiatives that benefit our teams and our communities through:

- Protecting safety, health and human rights
- Championing diversity, equity and inclusion.

Our sustainable approach

The key pillars of our program remain to be Circular Economy, Climate Change and Community, which are informed by insights from our materiality assessment.

Orora's sustainability program is well aligned with the Orora values and to the expectations of our people, customers, investors, regulators, and the communities in which we operate.

Through our diverse portfolio, we take a broad approach to managing sustainability risks and maximising opportunities.

We work across a wide range of focus areas, with some being business or location specific. Many of the activities underpinning our pillars are ongoing and have been central to how we operate for many years.

OUR FY24 PROGRESS

- ✓ Achieved 50% recycled content (cullet) in glass, a significant increase on the 38% achieved in FY23.
- ✓ Achieved an average of 72% recycled content in the aluminium flat sheets and coils used to manufacture beverage cans, an increase on the 57% achieved in FY23.
- ✓ Averaged 56% recycled content in our corrugated board manufactured by OPS, a slight decrease from the 57% achieved in FY23.
- ✓ Expanded our cullet sourcing program, with arrangements now in place with all participating Container Deposit Scheme (CDS) jurisdictions.
- ✓ Implementation of a Circularity Metric for OPS, measuring the amount of recycled content in the products we produce. We achieved 60% in FY24, compared to 57% in FY23.

LOOKING AHEAD TO FY25

- Increase levels of recycled cullet in our glass containers as we strive towards our target of 60% recycled content by 2025. Fully leverage our beneficiation plant and new sources of cullet.
- Expand sources of recycled content for aluminium cans.
- Continue to convert North American customers to more sustainable solutions, leveraging the OPS Sustainable Design Lab, Life Cycle Assessment Tools, Sustainability Training and Customer Summits.

- ✓ Progression of infrastructure works at Gawler, including structural concrete pour at the oxygen generation plant and procurement of new furnace materials for the G3 rebuild. These works are a critical aspect of our energy efficiency initiatives.
- ✓ Execution of a new wind farm Power Purchase Agreement for 100% renewable electricity for our Cans facility in Queensland, powered by 18 GWh of renewable energy sourced from two local wind projects.
- ✓ Total Scope 1 and 2 greenhouse gas emissions decreased by 13.8% (utilising Market-based factors for Scope 2) and 17.8% (utilising Location-based factors for Scope 2) from the FY19 baseline year.
- ✓ Examination of Scope 3 greenhouse gas emissions continued, with a view to target implementation during FY25.
- ✓ The conversion to EV forklifts continues in OPS with 63% of our current fleet now EV and open orders for more replacements that will drive our conversion to 80% upon delivery. Additionally, we added our first electric tractor trailer to the OPS delivery fleet in FY24.

- Aim to complete Scope 3 accounting.
- Launch oxygen plant at Gawler, as one of our integral carbon reduction initiatives.
- Continue our work with industry partners to assess the potential use of low carbon fuels to support reduced emissions.
- Continue making smart use of energy sources, increasing energy efficiency and expanding electrification.

- ✓ Significant improvement of safety performance across the Group with Recordable Case Injuries decreasing by 43% and Lost Time Injuries decreasing by 38%, compared to FY23.
- ✓ Implementation of key initiatives driven by the 2023 Voice of Orora survey, including a focus on clear communication, collaboration and teamwork.
- ✓ Values workshops conducted with Saverglass to ensure alignment of Orora Group values.
- ✓ Cultural Intelligence workshops held with teams from Australasia and Saverglass designed to identify successful ways of working.
- ✓ Implementation of Orora's Human Rights Policy, supporting our Human Rights Due Diligence and Supplier Assurance initiatives.

- Roll-out of updated Orora values across the Group, reflecting alignment with Saverglass.
- Expand culture shaping workshops across Orora to include Saverglass.
- Provide Harassment and Discrimination Prevention training at OPS.
- Launch of our DEI&B Council in Australasia. Continue DEI&B activities in North America.

Circular Economy

Our role in the circular economy is to examine and implement ways to maximise the recycled content of our products, ensuring they can be continually recycled, minimising waste and pollution and reducing greenhouse gas emissions.

OUR PROMISE

60% recycled content[1] for Orora glass beverage containers by 2025

We continue to work towards maximising the recycled content in our manufactured packaging products and visual solutions.

We are focused on innovating to increase the waste glass (cullet) used in our bottles, enhancing the level of recycled content in our cans and producing corrugated board and visual solutions from recycled materials. Additionally, transitioning customers away from single use plastic packaging towards more sustainable solutions remains a key focus for OPS.

Sourcing recycled glass cullet

We continue to strive towards our target of reaching 60% recycled content in the glass containers we manufacture by 2025. During FY24 we achieved significant growth in the use of recycled glass content in glass, recording an average of 50%[1] up from 38% in FY23.

Central to achieving this target is the ongoing expansion of our recycled cullet sourcing program and ongoing development of closed-loop recycling programs with many of our customers, both of which progressed well in FY24.

Our supply chain now encompasses the Victorian Container Deposit Scheme (CDS), which commenced operations during the reporting period. With the addition of Victoria, Orora now has cullet sourcing arrangements in place with all participating CDS jurisdictions.

We continue to have access to the vast majority of the recycled cullet derived from both the South Australian and Western Australian CDS.

We continue to collaborate with CDS coordinators and operators to maximise the use of cullet. Additionally, we continue to focus on fostering strong "closed loop" recycling programs with customers, assisting them to return as much waste product to us as possible, through the provision of equipment and clear guidelines on recyclable material.

Increasing capacity at our beneficiation plant

Glass can be recycled endlessly by crushing, blending, and melting it together with sand and other starting materials.

Our glass beneficiation plant at Gawler in South Australia was commissioned in July 2022 to propel the use of recycled glass cullet and divert more cullet from landfill, reducing the need for virgin materials to be used in production.

During FY24, our teams focused on continual improvement and process optimisation at the plant, gradually increasing operational capacity.

This increased the amount of recycled product processed by the plant and supports our circular economy goals. Additionally, the use of recycled material in glass making is more energy efficient and produces less emissions from combustion in the furnace than using virgin materials, further reducing greenhouse-gas emissions.

A key initiative for FY24 was continuing a comprehensive engagement and education campaign with key industry stakeholders, driven by the leadership team at the beneficiation plant. The focus of this initiative is to increase the level of awareness of recycling standards across the industry and raise the quality of recycled content returned to the plant for processing.

[1] This is calculated based on average recycled content (cullet%) used in production of manufactured glass products at the Gawler site over the 12 month reporting period.

OPS Sustainability Summits

OPS hosted two sustainability summits in FY24, including one at the Sustainable Design Lab in Northern California and a second one in Monterrey, Mexico, in May. These summits are intended to drive customers to adopt more sustainable packaging, through education about making the right choices and the impact of their choices on the environment.

Approximately 60 representatives attended the Summit at the Sustainable Design Lab in Newark, CA and more than 80 representatives attended the Monterrey, Mexico event. More than half of these guests were prospects who had not previously been Orora customers.

Attendees were given insight into Orora's capability and expertise in sustainable packaging, including our Life Cycle Assessment tools and the Sustainable Design Lab. The Summit also featured important discussions about Government and regulatory policy and developments in new materials, with the intent of providing guidance on where the industry is headed and the value in adopting sustainable packaging options.

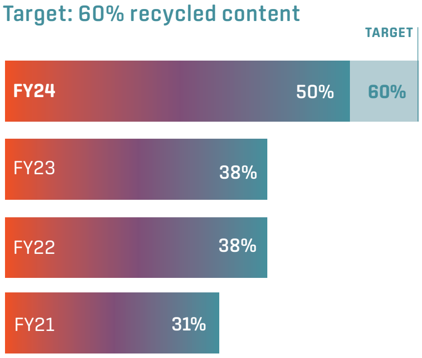
Our teams work with stakeholders, including customers, suppliers and state-based CDS operators, to articulate quality requirements and assist them to deliver product accordingly.

This process has lifted the overall quality of product provided to the plant and has been central to increases in processing capacity - contributing to the improved optimisation of the plant and helping to increase the level of recycled content used in the glass making process.

During FY25 Orora will develop a new set of recycled content related targets for the Global Glass business that incorporate Saverglass, ensuring a comprehensive integrated target across the entire business unit.

Recycled content (cullet %) progress in manufactured glass products

Target: 60% recycled content



Driving increased use of recycled content across our businesses

The aluminium we use to create Orora cans is infinitely recyclable and we return scrap aluminium to manufacturers for recycling. We continue to work with suppliers to increase recycled content in aluminium sheets to enable increased recycled content in our cans.

We achieved an average of 72% recycled content in the aluminium flat sheets[2] and coils used to make our cans in FY24, an increase on the 57% achieved in FY23.

In North America, we averaged 56% recycled content in the manufacture of OPS' corrugated board[3], a slight decrease from the 57% achieved in FY23, and we continue to explore new ways to utilise and maximise recycled content.

Orora Visual's program of converting material from PET bottles into printable fabric comprising 100% recycled content also continued to progress in FY24, as we worked with customers to develop more sustainable ways to promote their products and services.

This process reduces waste to landfill, removes used plastic from our ecosystem and minimises the use of new raw materials.

Orora's recycling leadership recognised

In June, Ellie King - Plant Manager at the Gawler Beneficiation Plant, won the Manufacturing Leader award at the annual PKN Women in Leadership Awards, which celebrate leadership excellence in the Australian packaging industry.

Nominated alongside a strong field of candidates from across the sector, Ellie was acknowledged for her work leading the operations of our glass beneficiation plant and her dedication to raising awareness of recycling standards across the industry.

Ellie's work has been central to increasing our cullet rate since the beneficiation plant came online in FY22 and this award is a very fitting recognition.

[2] This is the proportion of pre and post consumer recycled aluminium materials, obtained from supplier attestations for calendar year 2023, used in the production of beverage cans.
[3] This is the proportion of recycled board stock, obtained from FY24 supplier attestations, included in the production of OPS' corrugated board.

Sustainable Design Lab

During FY24 we celebrated the launch of our Sustainable Design Lab - a state-of-the-art facility dedicated to driving innovation in sustainable packaging. The Lab is a key component of the OPS strategy to convert more customers to sustainable packaging.

The Lab puts sustainability at the heart of packaging research and design, helping customers understand and measure the environmental impact of different packaging material choices, and then using that insight to design and create more sustainable packaging solutions.

A focus on designing sustainable products

Many of our products are made from infinitely recyclable substrates with high material circularity. This means they can be transformed and recreated, time and time again.

All Orora primary manufactured substrates are recyclable, increasing the sustainability of our packaging substrates, with a focus on fit-for-purpose applications and reducing waste.

At OPS we have been using our life cycle analysis tools to help our customers convert to more sustainable solutions, including corrugated, folding carton and paper pulp.

During FY24 we began recycling our corrugated dies at our Sycamore, Illinois location. These dies contain plywood, metal and rubber, which has previously been sent to landfill and are now recycled through a new extraction and sorting process. During FY25 we will explore the expansion of this service to other sites.

An important innovation during FY24 was the introduction of a new Circularity Metric for OPS - this is an internal data tool that identifies the proportion of circular materials (materials deemed to be reusable, recyclable, or contain recycled content) that comprise OPS' total sales.

In FY24 our Circularity Metric for Orora Packaging Solution (OPS) is 60%.[1]

Circular Product Development

A partnership with Flexi-Hex Ltd, which commenced in FY23, progressed positively in FY24. Through the partnership, OPS distribute FSC-certified, fibre-based recyclable sleeves in North America, which provide a sustainable alternative to bubble wrap and foam commonly used for packing. In FY24 we moved to an exclusive partnership arrangement with Flexi-Hex, which will continue into FY25 and beyond.

OPS also developed several new innovative products during the year, including the Jarbot™ reusable packaging system for the Fast-Moving Consumer Goods Market, and Helicot™, an entirely paper-based deodorant package. Both products were developed at Orora's Sustainable Design Lab.

Jarbot

Jarbot™ is a reuse-optimised packaging system that can be shared by a multitude of brands to store a wide range of products. The challenge for reusable packaging is to create scale and drive down the costs of collection, cleaning and refilling to levels that are close to the cost of single use packaging. By offering a solution that could work for a broad range of products, Jarbot is designed to create scale for sustainable packaging.

Helicot

Helicot is the first entirely plastic-free deodorant packaging solution to come with an innovative patent-pending helical applicator.

Crafted entirely from renewable Forest Stewardship Council (FSC)-certified paper, Helicot greatly reduces the environmental footprint of deodorant packaging in another step towards a truly circular economy.

[1] This the proportion of circular materials (per Orora's definitions of materials deemed reusable, recyclable or contain post-consumer recycled (PCR) content obtained from supplier attestations), manufactured and sold by OPS over total OPS sales revenue.

Climate change

We are addressing climate change by understanding the risks and opportunities it poses, reducing gross greenhouse gas emissions across our business and making smart and renewable energy choices to minimise waste.

OUR PROMISE

Net zero emissions by 2050. 40% reduction in emissions by 2035.

Addressing climate change risk

Since the materiality assessment which shaped our sustainability approach, we are constantly examining the sustainability landscape and engaging with stakeholders to identify current and emerging physical and transition risks and opportunities.

This informs how we best approach material risks and opportunities as part of our Climate Change pillar.

In FY22, we completed our review and implementation of recommendations from the Financial Stability Board's Task Force on climate-related Financial Disclosures (TCFD) with the support of independent external consultants. In FY25 we will renew our commitment to the TCFD by undertaking another analysis with a more granular focus on our respective business units.

The TCFD analysis explored the impact of climate change on Orora under different climate scenarios and did not identify any material risks to Orora. It confirmed that Orora's current climate change strategy is appropriate, positions us well should any risks become material, and contributes to our long-term sustainable growth.

Outcomes of this analysis and actions we have taken to address or capitalise on climate risks and opportunities are available on Orora's website (ororagroup.com).

Our ongoing work and efforts to reduce gross greenhouse gas emissions and further understand potential impacts of climate change on our operations and investments recognises our obligations under Principle 7 of the UNGC, which requires businesses to support a precautionary approach to environmental challenges.

It also reflects our ongoing commitment to assessing and measuring our exposure to material risks in accordance with the ASX Corporate Governance Council's Recommendation 7.4 and other regulatory expectations.

Investment and innovation to reduce our climate impact

We are targeting net zero Scope 1 and 2 emissions by 2050 and are focused on achieving a 40% reduction in these emissions by 2035 from a FY19 baseline.

Our work to reduce our gross greenhouse gas emissions across the Group has been central to our sustainability approach for the past eight years.

We have a plan to achieve our 2035 goal, based on continued reductions through focused investment, the application of new technology, utilising increased recycled content in our manufactured products and deploying renewable electricity sources. Our FY24 Scope 1 and 2 emissions reductions demonstrate that we are on track to achieve our goal.

Additionally, Orora's approach to emissions reduction prioritises taking proactive steps, through the adoption of new technologies and renewable energy sources, among other things, without the use of carbon offsets. Offsets will only be used as an element of our strategy where required by legislation, for example in meeting potential compliance requirements in Australia, or when it has proven difficult to achieve emissions reductions through our stated approach.

Ongoing innovation to increase the recycled content in our beverage containers contributes to the circular economy, generates less waste and reduces our greenhouse gas emissions.

It should be noted that during FY25 Orora will develop a new set of Climate Change related targets that incorporate Saverglass, ensuring a comprehensive integrated target across the Group.

Bottle and Can Light Weighting

During FY24 we continued to explore techniques to further reduce the weight of our bottle and can products, with a view to making the manufacturing process more energy efficient and reduce our emissions output.

Having launched a range of lightweight bottles in recent years we have established ourselves as a leader in this field. We further build on our contribution to the decarbonisation of the wine industry through the acquisition of Saverglass. During FY24, Saverglass teams introduced a digital simulation tool designed to model and test lightweight bottles, with early results demonstrating up to a 30% reduction in bottle weight may be achievable.

During FY25 we will continue to focus on lightweighting and lead beverage industry decarbonisation through our global network of expertise.

Our cans business also made good progress during the year, introducing our lightweight can products to new customers and locations where they had not previously been adopted.

Oxygen Plant & G3 Rebuild Projects Nearing Completion

In FY23, we commenced site preparations for the upgrade of our G3 furnace to oxyfuel technology at our Gawler glass manufacturing plant in South Australia.

During FY24 these projects progressed well, with furnace materials and equipment successfully procured for the G3 furnace rebuild. Engineering, civil earthmoving and structural concrete works commenced for the oxygen generation plant.

Both projects are expected to be operational during FY25. Following this upgrade, the G3 furnace will move into the top 10% of energy efficient furnaces worldwide. It will not only deliver a step-change reduction in fossil fuel use, but also reductions in nitrogen oxide and carbon dioxide emissions, providing customers with a more sustainable option.

Orora's FY24 emissions performance

Since FY19 we have reduced emissions by 17.8% (Location-based factors Scope 2) and 13.8% (Market-based factors Scope 2), as demonstrated in the graphs.

Addressing Scope 3

This year we continued our examination of Scope 3 requirements for Orora, and we expect that Scope 3 accounting will be implemented during FY25.

Energy efficiency and smart use of energy sources

Our drive for energy efficiency continued in FY24, as we identified opportunities for continuous improvement as part of operations optimisation.

In North America, the electrification strategy for the OPS fleet progressed well during the year. The business' first electric delivery tractor (prime mover) commenced service in FY24, while several more electric trucks are planned for introduction to the fleet. More than 40 lithium-electric forklifts have been ordered and will be gradually introduced into service at OPS sites over coming periods.

Orora Visual began the roll out of a new series of large format digital printers, with the first installed during FY24 and three more to be operational during FY25. The new printers are expected to increase energy efficiency by up to 70% and will see the phase-out of four old units.

The full implementation of a water and chemistry-free plate-making and cleaning process, which was initiated during FY23, was completed across all Orora Visual locations in FY24. This process led to a reduction in water usage of more than 764,000 litres during the year.

We remain focused on efficiency in gas and electricity use to further reduce our greenhouse gas emissions. Orora has been a very early adopter of using renewables in manufacturing, and finding alternative ways to purchase, produce and use electricity to help ensure we can make smart use of available renewable electricity sources.

78% of the electricity used by Orora Beverage in Australia in FY24 came from renewable sources. Our long-term Power Purchase Agreements (PPAs) with renewables providers continue to supply wind generated electricity to Beverage operations on Australia's east coast.

We were pleased to execute a new wind farm Power Purchase Agreement (PPA) for 100% electricity consumption for our Cans facility in Queensland.

Under the new agreement with Queensland Government-owned CleanCo, the Rocklea facility will be powered by 18 GWh of renewable energy sourced from two local wind projects, Kaban Green Power Hub and Macintyre Wind Farm, for a minimum period of five years. The completion of this agreement, combined with existing solar and wind farm PPA's, provides Orora with renewable electricity coverage at all of its eastern seaboard sites.

As we prepare for the energy transition that lies ahead, we will take a balanced and economically prudent approach to our energy resource mix.

Working with global partners and local industry groups that share our goals, we continue to examine opportunities for Orora to transition to lower emissions technologies.

We continue to collaborate with the International Partners in Glass Research (IGPR) and its formative work in exploring the development of zero-carbon glass bottles. During FY24, the IGPR made progress on the initiative, commencing construction of a small prototype glass melting tank designed to conduct research and design work. The project aims to reduce emissions by eradicating carbon dioxide completely from both the energy input and raw material perspectives of glass production. We look forward to further progress on this during FY25.

Eco Targets drive focused improvements

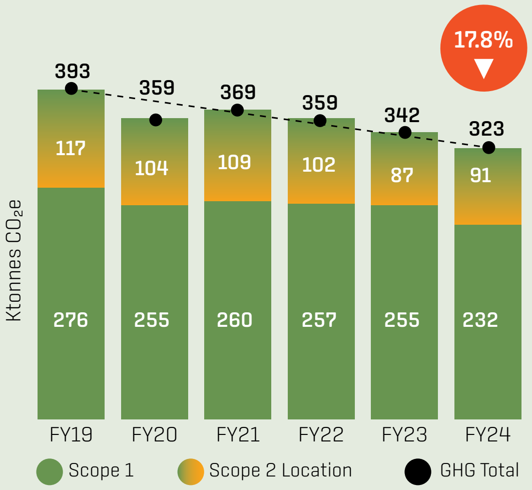
Orora's Eco Targets, the second set since Orora commenced operation in 2013, aim to reduce our CO_2 emissions, waste to landfill and water use over five years from a baseline of FY20, through to 30 June 2024.

In this last year of Orora's current Eco Target cycle we achieved our FY24 goals in our Distribution business, however Eco Target performance declined this year in the Production business primarily due to declining production volumes which made it extremely difficult to achieve the target ratios.

As this is the last year of the current Eco Target cycle, Orora will undertake work during FY25 to develop and launch a new set of Eco Targets that will also encompass Saverglass, ensuring there is a comprehensive regime in place across the Group.

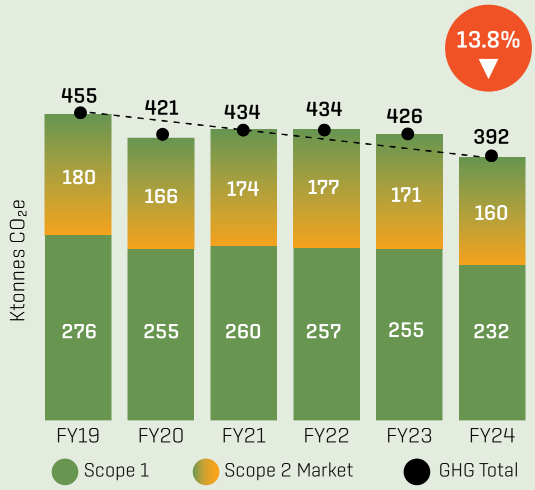
Our progress on greenhouse gas emissions reduction[1][2]

GHG reduction progress*: Location-based factors



* From FY19 baseline to FY24

GHG reduction progress*: Market-based factors



* From FY19 baseline to FY24

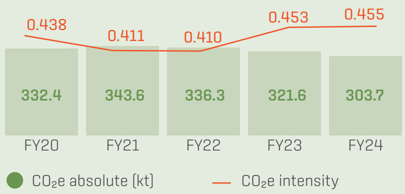
Performance against Eco Targets[3][4][5]

CO_2e emissions

Target: 5% reduction in emissions ratio intensity

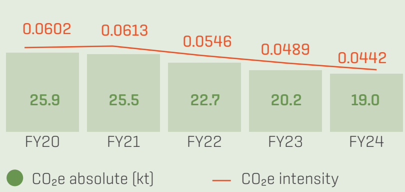
3.9% ▲

CO_2e intensity: Production



26.6% ▼

CO_2e intensity: Distribution

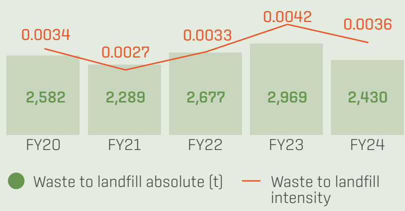


Waste to landfill

Target: 5% reduction in waste to landfill ratio intensity

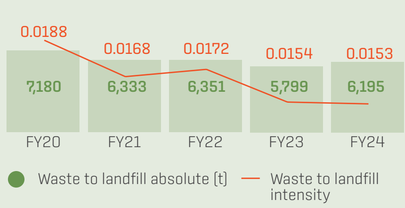
5.9% ▲

Waste to landfill intensity: Production



18.6% ▼

Waste to landfill intensity: Distribution

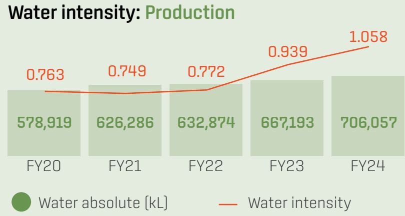


Water use

Target: 5% reduction in water use ratio intensity

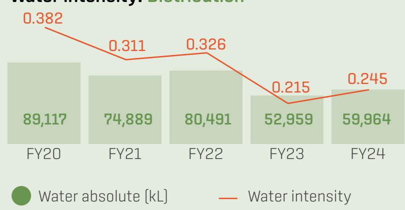
38.7% ▲

Water intensity: Production



35.9% ▼

Water intensity: Distribution



[1] Covers 1 July 2023 to 30 June 2024 and includes all Orora Group entities. All actual kilotonnes have been rounded to the nearest hundred. Scope 1 and 2 greenhouse gas emissions are measured in tonnes of carbon dioxide equivalents. Scope 1 emissions include natural gas, raw material combustion in furnace for glass, transport and LPG. Scope 2 emissions include indirect emissions from consumption of purchased electricity utilising Market-based and Location-based factors as stated. Both Market and Location-based emissions factors for the consumption of purchased electricity from the grid are updated annually to reflect changes in energy mix. Scope 1 and 2 emissions are reported for Australian operations utilising the NGER Act and under the GHG. Protocol Standard for operations outside of Australia. The Market based factor Scope 2 emissions for FY23 have been restated to 171 from 178 kilotonnes as stated in the FY23 Annual Report through the use of a more accurate emissions factor.

[2] Scope 2 Greenhouse gas emissions using market based factors for FY23 have been restated from those disclosed in the 2023 Annual Report due to the application of a corrected emissions factor used for electricity consumed at Australian sites, this has changed the FY23 figure from 178 kilotonnes CO_2e to 171 kilotonnes CO_2e.

[3] All data relates to the period 1 July 2023 to 30 June 2024. Eco Target CO_2 emissions are calculated as per footnote 1 relating to Greenhouse Gas Emissions Reductions, but utilising Location-based factors for Scope 2 emissions. Waste to landfill includes solid waste that is not diverted to other streams e.g., reused, recycled, repurposed, composted or converted to energy. Water use is measured in kilolitres ('000 L). Waste to landfill and Water scope is for all activities under operational control of Orora Group.

[4] Production facilities include Beverage facilities in Australia and New Zealand and for OPS CorruKraft and MPP facilities in North America. Distribution facilities include all other sites including Landsberg, Pollock and Orora Visual in North America. Eco Targets are measured as ratios against metrics that reflect the primary business activities of Orora and are divided into metrics for production of packaging (measured against tonnes produced) and distribution of packaging (measured against floor space square metres).

[5] EcoTarget ratio figures for the Distribution business have been restated from those disclosed in the 2023 Annual Report due to a review distribution of floor space square metres at OPS sites (as follows): CO2e FY20 .0757 to .0602, FY21 .0746 to .0613, FY22 .0665 to .0546, FY23 .0595 to .0489, Waste to Landfill FY20 .0245 to .0188, FY21 .0209 to .0168, FY22 .0228 to 0.0172, FY23 .0192 to .0154, Water FY20 .435 to .382, FY21 .367 to .311, FY22 .384 to .327, FY23 .261 to .215. The FY23 Waste to landfill Distribution EcoTarget tonnes have been restated from 5753 t as stated in the FY23 Annual Report to 5799 t due a correction in estimated data for 4 OPS sites. The FY23 Water Intensity Distribution kilolitres have been restated from 51841 kl as stated in the FY23 Annual Report to 52959 kl due to a correction in estimated data for 5 OPS sites.

Community

We are enriching the lives of our teams and communities by protecting safety, health and human rights, and championing diversity, equity and inclusion, guided by the Orora Values.

OUR PROMISE

Prioritising action for our people and our communities

Our FY24 Safety performance

A concerted focus on continuous safety improvement across the Group during FY24 led to a pleasing improvement in our safety performance.

Lost Time Injuries decreased by 38% compared to FY23 while Recordable Case injuries reduced by 43%, reflecting our focus on heightened communication, continuous improvement activities and existing programs to identify hazards and manage risks before they lead to injury or illness.

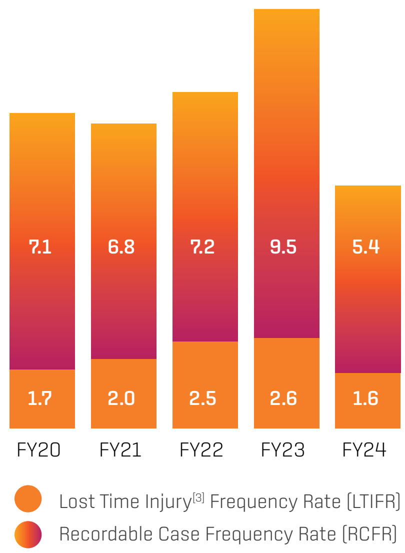
We continued to roll out our FY23-FY25 Global Health & Safety strategy during the year. Our Strategy was developed in consultation with key stakeholders across Orora and builds on work completed as part of our Global Integrated Safety Improvement Plan (GISIP). Key elements included building awareness of high-risk activities through improved communication, incident reporting and governance processes.

Our improved performance in FY24 reflects the effective implementation of the global strategy and its focus on clear communication and empowering our team members to take ownership of safety in the workplace. This was manifested through a targeted communications program designed to reinforce and promote the 10 Orora Stay Safe Rules, Take 5 and Stop Work - initiatives designed to encourage team members to identify hazards and assess risk, and make an immediate decision to stop work in the event of a potential safety issue.

Serious Injury or Fatality (SIF) Prevention

Ongoing improvements in reporting as part of our SIF Prevention Program saw an equal number of potential SIFs reported in FY24 38[1] compared to FY23 38. There were no serious injuries or fatalities during the year.

Safety performance[2]



Health and Safety governance

Over the past four years, we have embedded Health and Safety governance through the Board Safety, Sustainability and Environment Committee (SSEC), the Global Management Team (GMT), and the Health & Safety Leadership Team (HSLT).

This structure sets a strong foundation for our One Orora approach to safety, executed through our Strategy, and includes quarterly and annual reporting.

[1] Relates to the number of potential Serious Injuries or Fatality (SIF) instances in FY24. A SIF event is an incident or near miss that results in or has the potential to produce a fatal or life-altering injury or illness to an employee, visitor or contractor while working for Orora or on an Orora site.

[2] Orora's injury rates are measured using two key metrics, Recordable Case Frequency Rate (RCFR) and the Lost Time Injury Frequency Rate (LTIFR). LTIFR is determined by dividing the total number of Lost Time Injuries in a 12-month period by the total number of hours worked in the same 12-month period, then multiplying by 1,000,000. RCFR is determined by dividing the total number of Recordable Case Injuries (Lost Time Injury, Restricted Work Case & Medical Treatment Injury) in a 12-month period by the total number of hours worked in the same 12-month period, then multiplying by 1,000,000.

[3] Lost Time Injury (LTI) is defined as a work-related injury or illness resulting in a worker being unable to work for a full scheduled shift (other than the shift in which the injury occurred). A full scheduled shift is regardless of shift length or duration (e.g., two hours or 12 hours). The LTI must be certified by a medical professional.

Women in Leadership at Orora (WILO)

FY24 marked the eighth year of WILO and therefore the eighth cohort of Orora women to undertake the program. These team members join the 155 alumni who have participated in WILO since its inception - many of whom have gone on to lead in a variety of ways and roles at Orora.

WILO is based around three key areas: Self-awareness, collaboration, and courage, with workshops designed to nourish growth and encourage participants to step out of their comfort zones, embrace challenges and develop their leadership skills.

Additionally each WILO is paired with a Coach who also supports and guides them through the program.

Critical Control Checklists

Central to our improved performance in FY24 were efforts by our operational sites in completing Critical Control Checklists for all 10 Stay Safe Rules, in order to verify that critical controls for our highest risk activities are in place and effective.

Orora Health and Safety Procedures

Several Orora Health and Safety procedures have now been deployed through the GISIP Operational Steering Committee, related to our highest-risk activities (i.e. Stay Safe rules). The full suite of procedures will be complete in FY25. This is supported by the GMT to drive best practice through standardisation at our sites and ensure our team members are safe.

Global Safety Assurance Audit Program

A Global Safety Assurance Audit Program, including Australasian and North American sites was successfully conducted in FY24. The intent of the program is to verify the implementation of the global safety strategy, providing assurance that critical safety risks are managed effectively across all sites. Teams have begun developing actions plans to implement required improvements where necessary. Saverglass sites will be included in this program from FY25.

Continuous Improvement

Enhancements to our Risk Management Database, SHE Assure Audit Module, were implemented in FY24 to provide accurate reporting and detailed risk ranked audit findings, which has resulted in increased accountability and prompt action.

Safety Leadership Tours

In FY23 we referenced the relaunch of safety leadership tours, interactions between senior leaders and team members, providing visibility and demonstrating safety is a shared responsibility no matter where our team members work.

This was reinforced further in FY24 with the introduction of a safety metric for senior leaders which includes a requirement of four safety leadership tours per year, designed to again showcase the importance of safety at all levels.

Safety leadership tours have also been introduced at Saverglass.

Safety at Saverglass

A commitment to health and safety has long been an integral part of the Saverglass culture.

The Saverglass safety program is led by a Safety Committee, which sits monthly and is composed of factory managers, safety coordinators and representatives of head office. The committee sets targets, allocates resources and implements strategies for each site, with a view to driving continuous improvement and embedding a safety-focused culture.

Programs to implement the integration of Saverglass into Orora's Health & Safety governance framework and systems have progressed well since the acquisition completed. Consistent with many shared aspects of Orora and Saverglass, our safety cultures are well aligned.

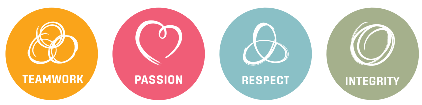
From FY25, health and safety strategy, activity and reporting will be aligned to include Saverglass and present a Group-wide perspective.

Orora Values - Stronger Together with Saverglass

Our values help shape our One Orora culture, guide our decision making, balance our priorities and are a fundamental part of our brand and identity. They are essential for building a cohesive team and providing a common direction for Orora's growth and success.

In FY24 we worked with Saverglass to consider what united us, and where we have consistency in our Values. It was clear we were very much aligned, and the Orora values of Teamwork, Passion, Respect and Integrity resonated very strongly with the Saverglass team.

Therefore, whilst our core values remain the same, we have adopted some of the Saverglass language into our descriptors to ensure we embrace and respect the nature of our global teams.



The Voice of Orora - Focused Engagement Activity for FY24

In FY23, more than 4,600+ team members across the Group had the opportunity to share their views in the 'Voice of Orora' employee engagement survey, with a participation rate of 74%.

Our overall engagement score of 75%, demonstrated a high level of employee engagement where we also outperformed the general and manufacturing industry standard scores by 7%.

In FY24, we focused on driving a high level of employee engagement through improved collaboration and teamwork. Communication within each of our Business Units and across Orora was also a key priority, ensuring that our team members receive relevant and timely information from their leaders.

The next Voice of Orora Survey is scheduled for FY25 and will include Saverglass team members.

Our Orora culture program

The One Orora culture program is dedicated to elevating our workplace from 'good' to 'great,' fostering an innovative, high-performing, and inclusive environment.

In FY24 we surveyed a group of our most Senior Leaders, to understand their perspectives on the Orora Culture Program since its implementation in FY22. Pleasingly, the results of the survey saw us outperform the external global benchmark (comprising 250 companies of a similar size) in a number of key focus areas, including belief in Orora's direction and purpose, a strong sense of collaboration and trust and customer focused behaviours.

More broadly, the Culture Program progressed well in FY24. More than 650 team members globally have now participated in our culture shaping workshops, an increase from 222 at the end of FY23. These workshops are held at various Orora sites within both Australasia and North America and are led by specially trained facilitators, themselves Orora Leaders.

During FY24, we also introduced our Senior Leader Culture Recharge series, bringing together senior leaders from across OPS and Global Beverage to connect, provide feedback and share key learnings.

In FY25, Saverglass will be included in the One Orora culture program.

Cultural Intelligence Workshops

To support ongoing work to bring Orora and Saverglass together, a series of Cultural Intelligence workshops were deployed across Australasia and Saverglass to help us understand how our diverse cultures may manifest in the workplace and ways of working.

These sessions were designed to gain shared insights and understanding of our diverse cultures and to identify opportunities to build effective and successful working relationships both now, and as we continue to implement our new Global Glass business for the longer term.

Diversity, Equity & Inclusion (DE&I)

We are creating vibrant Orora workplaces that reflect the broad and rich diversity of the communities in which we operate.

We continued our DE&I activities this year in accordance with our DE&I Policy and in pursuit of the measurable objectives approved by the Board.

Our Corporate Governance Statement contains further information on our measurable objectives for achieving gender diversity. One of these objectives is a target of 30% female new hires.

In FY24, females represented 40% of our senior leaders, an increase from 37% in FY23. A weighting toward recruitment in manufacturing roles during the year - traditionally male dominated - resulted in a female new hire figure slightly lower than the 30% objective, at 28%.[1]

Some of the highlights of our DEI activities throughout FY24 include:

- We again celebrated the diversity of the LGBTIQ+ community across the globe during Pride Month through Orora Proud. An Orora Proud Resource Group was initiated in OPS, which officially represented the business at the Nashville Pride Parade in June.
- The official title of the OPS DE&I Council evolved to introduce a "B" for Belonging, making our expanded focus Diversity, Equity, Inclusion and Belonging. The Council launched a new intranet site to engage team members on a range of Council activities, DE&I topics and offer mental health support and resources.
- A newly established Mental Health Employee Resource Group (ERG) brought "Wellness Rooms" to 25 North America facilities, providing additional support to the belonging and engagement of our team members.
- We continued to deliver Unconscious Bias training to leaders in North America.
- In Australia, the "IBelong Call it Out" program was delivered across all Cans sites, after senior staff were trained to facilitate the program in FY23. IBelong promotes a psychologically safe workplace, free from bullying, harassment, discrimination and negative behaviours.
- In Australasia, an ANZ DEI&B Council launch is set for early FY25, with preparatory work completed in FY24.
- In our Saverglass business a key highlight included the launch of a Disability Policy in Action. This policy is guided by a steering committee from across all Saverglass sites, which conducted interviews and assessed data to build a plan and policy designed to support people living with Disability. The plan focuses on three key themes:
  - Recruitment and integration
  - Job retention
  - Communication and training

[1] Proportion of new female external hires over total Orora group external hires for FY24. An external hire is defined as anyone who has been employed by Orora in a permanent position, regardless of whether they have worked for Orora previously.

Celebrating 10 Years Strong

Every December, we celebrate Orora Day which marks the day Orora was first listed on the ASX in 2013 and emerged as an independent company. In December 2023, Orora Day held even more significance as we celebrated a key milestone - our tenth anniversary of being listed on the ASX.

Our tenth anniversary celebrations were based around the theme '10 Years Strong' to recognise the strength of the business we have built over the past 10 years. Team members participated in celebrations by hosting Orora Day events at their sites, creating decorative displays and dressing up based on the theme. Our team members also created a video celebrating the diversity of our business which was played across Orora sites globally.

Recognising Orora Heroes

The annual Orora Hero program was again successfully run in FY24, with 119 individuals and teams recognised for their achievements and contributions to Orora across seven categories: Our People, Customer Focus, Safety, Financial Discipline, Innovation, Sustainability and Operational Excellence.

Protecting Human Rights

Launch of Human Rights Policy

During FY24, we published the Group's first Human Rights Policy, outlining our approach to supporting labour and human rights across our global operations and supply chains.

The Policy details our commitment to human rights based on adherence to both local and international principles.

Our commitment to human rights focuses on protecting the fundamental rights of individuals within our organisation and throughout our supply chain. The Policy establishes a clear due diligence process for assessing our potential impact on human rights and includes a governance framework to oversee its implementation.

The Policy will be reviewed and updated at least every two years.

Supply Chain Integrity

We oppose all forms of slavery in our operations and the operations of our suppliers, and are committed to protecting and respecting human rights.

In FY24, Orora reaffirmed our commitment to mitigating modern slavery risks across our operations and supply chains, aligning with the Australian Commonwealth Modern Slavery Act 2018.

Our approach to addressing modern slavery risks is multi-faceted, involving detailed assessments, robust frameworks, and training and awareness initiatives. This approach to mitigating modern slavery risks is underpinned by a strong governance framework that aligns with the UN Guiding Principles on Business and Human Rights.

During FY24 we took steps to strengthen our Supplier Assurance Framework (SAF) for new suppliers in Australasia. This framework is designed to ensure that new suppliers meet our stringent ethical standards and comply with modern slavery regulations. The SAF is an evolving tool that has been expanded to include suppliers in North America, reflecting our commitment to global consistency in ethical supply chain management.

Recognising the importance of awareness and education, we also introduced modern slavery awareness materials and training for all team members during the year. These resources are designed to equip team members with the knowledge and tools necessary to identify and address modern slavery risks in their daily operations. This initiative forms part of our broader effort to foster a culture of ethical awareness and responsibility across the organisation.

In FY25 we will continue to conduct supplier assessments, enhance due diligence processes, and expand our training programs. Other focus areas for FY25 will include further development of the SAF, additional regional reviews, and ongoing education for employees and suppliers.

Supplier Conduct and Assurance

Orora continued to apply our Supplier Code of Conduct and Ethics Policy, which sets minimum standards for our suppliers' conduct and supply chains in line with our values, our commitment to the Ten Principles of the UNGC and other legislative requirements.

This Policy complements our Code of Conduct and Ethics Policy and is supported by our Supplier Assurance Framework (SAF). The SAF helps us identify and mitigate potential human rights issues with our direct suppliers.

We use a risk assessment tool to identify any high risks, which in some cases may be further assessed through Sedex (Supplier Ethical Data Exchange) or EcoVadis.

Suppliers must successfully mitigate any risks via an agreed corrective action plan and may be unable to partner with Orora if unsuccessful.

Independent Limited Assurance Report to the Directors of Orora Limited

KPMG

Independent Limited Assurance Report to the Directors of Orora Limited

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Selected Sustainability Information, which has been prepared by Orora Limited, in accordance with the criteria for the year ended 30 June 2024.

Selected Sustainability Information

The Selected Sustainability Information comprises the following material sustainability metrics in the Orora Limited (Orora) Annual Report for the year ended 30 June 2024.

Selected Sustainability Information	FY24	Unit
Climate Change		
Scope 1 GHG Emissions	232	ktCO2e
Scope 2 GHG Emissions (Location-Based)	91	ktCO2e
Scope 2 GHG Emissions (Market-Based)	160	ktCO2e
Renewable Energy Percentage (Orora Beverage in Australia)	78	%
CO_2e Intensity: Production	0.455	ratio
CO_2e Intensity: Distribution	0.0422	ratio
Water Intensity: Production	1.058	ratio
Water Intensity: Distribution	0.245	ratio
Waste to Landfill Intensity: Production	0.0036	ratio
Waste to Landfill Intensity: Distribution	0.0153	ratio

Selected Sustainability Information	FY24	Unit
Circular Economy		
Circularity Metric for OPS	60	%
Recycled Content in Aluminium Cans	72	%
Recycled Content in Corrugated Board Manufactured by OPS	56	%
Recycled Content (Cullet %) in manufactured Glass Products (Australia)	50	%
Community and Health and Safety		
Recordable Case Frequency Rate (RCFR)	5.4	ratio
Serious Injury Fatalities (SIF)	38	count
Lost Time Injury Frequency Rate (LTIFR)	1.6	ratio
Diversity – New Female External Hires	28	%

The Selected Sustainability Information covers Orora's Group operations, excluding Saverglass, in Australia, United States, New Zealand, Canada and Mexico, unless otherwise noted.

Criteria

The Selected Sustainability Information has been prepared in accordance with Orora's management measurement methodologies, which aligns with industry standards including the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD*) GHG Protocol Corporate Accounting and Reporting Standard*. A summary is provided in the data footnotes in the Annual Report ("the criteria").

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Selected Sustainability Information, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Interviews with senior management and relevant employees to understanding the internal controls, governance structure and reporting process of the Selected Sustainability Information;
- Site visit to Orora Glass manufacturing facility, Gawler, South Australia;
- Assessment of operational control and reporting boundaries, including GHG emission categories for Climate Change metrics, the treatment of employees for Community metrics and recycled content categories for Circular Economy metrics;
- Walkthroughs of key data sets and detailed analytical procedures;
- Desk-top reviews of Australia, US, Canada, Mexico and NZ data, and interviews with site managers;
- Recalculating datasets for percentage recycled content, emissions and waste metrics;

- Agreeing the Selected Sustainability Information back to underlying sources. This includes testing a sample of invoices for environment metrics, supplier attestations and shipping notices for circular economy metrics and head count and finance data for community metrics;
- Assessing emission factor sources and re-performing emission factor calculations
- Assessing the suitability of the criteria, including key assumptions; and
- Reviewing the Orora Annual Report 2024 in its entirety to ensure it is consistent with our overall knowledge of the assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Orora.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, or error may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Use of this Assurance Report

This report has been prepared for the Directors of Orora for the purpose of providing an assurance conclusion on the Selected Sustainability Information and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Orora, or for any other purpose than that for which it was prepared.

Management's Responsibility

Management are responsible for:

- determining that the criteria are appropriate to meet their needs;
- preparing and presenting the Selected Sustainability Information in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Selected Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Selected Sustainability Information for the year ended 30 June 2024 and to issue an assurance report that includes our conclusion.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG

KPMG

SENewman

Sarah Newman

Partner

Melbourne

14 August 2024

Group financial review summary

Income statement[1]

AUD million	2024	2023
Sales revenue	**4,697.6**	4,291.3
Earnings before significant items, interest, depreciation, amortisation and related tax	**616.4**	443.5
Depreciation and amortisation	**(212.4)**	(123.0)
Earnings before significant items, interest and related income tax expense	**404.0**	320.5
Significant items	**(40.4)**	(26.0)
Earnings before interest and related tax expense	**363.6**	294.5
Net financing costs	**(103.1)**	(47.5)
Income tax expense	**(75.3)**	(62.2)
Profit for the financial period	**185.2**	184.8

Balance sheet[2]

AUD million	2024	2023
Cash	**274.7**	58.4
Other current assets	**1,660.0**	1,199.3
Property, plant and equipment	**1,756.9**	806.5
Right-of-use lease assets	**345.9**	180.7
Goodwill and intangible assets	**1,732.3**	440.1
Other non-current assets	**222.9**	116.8
Total assets	**5,992.7**	2,801.8
Borrowings	**1,998.4**	832.4
Lease liabilities	**419.5**	227.6
Payables and provisions	**1,483.1**	941.6
Total equity	**2,091.7**	800.2
Total liabilities and equity	**5,992.7**	2,801.8

Cash flow[3]

AUD million	2024	2023
Earnings before significant items, interest, depreciation, amortisation and related tax	**616.4**	443.5
Right-of-use asset lease payments	**(97.1)**	(65.6)
Non-cash items	**24.8**	25.0
Movement in total working capital	**(46.9)**	(84.8)
Net base capital expenditure	**(100.2)**	(48.2)
Underlying operating cash flow	**397.0**	269.9
Cash significant items	**(55.8)**	(34.4)
Operating free cash flow	**341.2**	235.5

[1] As reported in the segment note contained within the financial statements (refer note 1) with the exception of net unallocated financing costs and income tax expense, which is not included in the segment note.
[2] IFRS compliant information extracted from the audited financial statements.
[3] Operating free cash flow includes principal lease and interest payments associated with Right-of-Use (ROU) assets as reported per the segment note in the financial statements (refer note 1).

Revenue

Sales revenue for the year was $4,697.6 million, up 9.5% on FY23. On a constant currency basis, sales revenue was up 7.7%. Revenue includes seven months of Saverglass after completion of the acquisition on 1 December 2023. Excluding Saverglass, revenue was down 7.0% or 8.8% on a constant currency basis.

OPS revenue was down 8.4% to $2,981.3 million. In local currency terms, revenue was down 10.8% to US$1,954.5 million, largely reflecting a decline in broader manufacturing industry activity and the flow-through impacts of price deflation.

Global Beverage revenue increased 65.5% to $1,716.3 million, which includes Saverglass revenue of $705.4 million (€427.6 million). Excluding Saverglass, revenue decreased 2.5% to $1,010.9 million. This reflects record production in Cans (2.5% growth) which was offset by a reduction in pass through aluminium prices and lower volumes in wine and beer glass.

Earnings before interest and tax

Underlying EBIT was $404.0 million, up 26.0% on the prior year (up 24.6% on a constant currency basis). Excluding Saverglass, EBIT increased 0.9% to $323.4 million.

OPS delivered a resilient performance despite lower revenue with reported EBIT flat at $167.0 million (down 2.7% on a constant currency basis). This was achieved through the focus on reducing operating costs, the benefits from site rationalisation and the ongoing customer profitability review. The EBIT margin for OPS increased 50bps to 5.6%.

Global Beverage EBIT increased 54.6% to $237.0 million. Excluding Saverglass EBIT increased 2.0% to $156.4 million. This reflects continued Cans production growth and production efficiencies and active cost management partly offset by ongoing soft demand for Australian commercial wine.

US dollar earnings were translated at AUD/USD ~65.6 cents in FY24, compared to ~67.3 cents in the prior year.

Significant item expense

During the period Orora recorded a significant item of $38.5 million after tax ($40.4 million pre-tax) relating to costs associated with the acquisition of Saverglass.

Balance sheet

Orora's total assets more than doubled to $5,992.7m since June 2023 mainly due to the acquisition of Saverglass.

This acquisition added net assets of $1,612.1m comprised of assets of $2,566.8m and liabilities of $954.7m.

The difference between net assets acquired and the purchase price of $2,276.2m (€1,381.0m) is goodwill of $664.1m (€402.9m).

Excluding the impact from the acquisition of Saverglass, assets decreased moderately with accounts receivable and inventory lower.

Inventory levels decreased in North America, largely driven by lower volumes in Distribution, and Saverglass, partially offset by Glass finished goods.

This more than offset an increase in property, plant & equipment from the ongoing investment in growth capex for Cans and the G3 furnace project for Glass.

Net debt increased by $979.5m to $1,753.5m, attributable to the acquisition of Saverglass.

Cash flow

The strong cash flow generation of the group is evident with underlying operating cash flow of $397.0m, an increase of 47.1% due to the acquisition of Saverglass.

Excluding Saverglass, underlying operating cash flow increased 7.9% to $291.4m with an improvement in working capital in Australasia (one-off inventory cost impacts in FY23) and higher EBITDA more than offsetting higher base capex due to the G3 furnace rebuild. Operating cash flow for OPS was steady compared to the prior year.

Cash significant items were Petrie de-commissioning costs of $20.5m and Saverglass acquisition costs of $35.3m

Net interest payments were higher at $76.5m due to the increased debt from the Saverglass acquisition and an increase in base interest rates. It includes $11.5m of interest income earned on the proceeds of the equity issuance prior to the completion of the transaction.

Cash taxes increased to $54.9m consistent with additional earnings from Saverglass.

Growth capex increased slightly to $153.5m with the majority of spend for Australasia with projects including the new multi-can line at Revesby ($55m) and the Glass oxygen plant at Gawler ($33m).

Cash conversion remained strong at 79.1% (excludes base capital expenditure relating to the G3 furnace rebuild).

Corporate

Corporate costs are allocated directly to the business segments.

Orora upsized the Global Syndicated Facility Agreement in November 2023 to A$600m and €760m which comprised:

- $250m of revolving multi-currency facilities with maturity dates ranging from May 2027 to November 2028;
- A $350m term loan facility with a maturity date of November 2030; and
- A €760m of revolving multi-currency facilities with maturity dates ranging from May 2027 to November 2028.

Post refinancing of the Global Syndicated Facility Agreement and acquisition of Saverglass, Orora has $865.1m of liquidity including $590.4m of committed undrawn debt facilities to support the Group's liquidity requirements, with an average committed debt maturity of 3.7 years.

Leverage ratio of 2.78x reflects the impact of the Saverglass acquisition.

Petrie decommissioning

The decommissioning of the Petrie site is a significant and complex exercise involving multiple government agencies. At 30 June, all major on-site works are complete with the remaining activity largely focused on the preparation and submission of the required documentation to the appropriate government departments. The provision at 30 June 2024 ($2.0m), represents management's best estimate in respect of the anticipated costs to complete the above activity, using all currently available information and considering applicable legislative and environmental regulations.

Operational review
Orora Packaging Solutions

Our Orora Packaging Solutions business in North America delivered resilient earnings in challenging market conditions, with margins expanding further due to benefits from the ongoing focus on transformation.

KEY POINTS

- Revenue was down 10.8% to US$1,954.5m (down 8.4% to A$2,981.3m on a reported basis), due to the flow-through impact of price deflation and lower volumes from continued softness in the broader North American manufacturing industry.
- Against these challenging volume headwinds, OPS improved margins on slightly lower EBIT, reflecting the benefits of Management's ongoing operational transformation plan, including:
  - embedded pricing disciplines;
  - pro-active operational cost management;
  - procurement driven initiatives;
  - operating site rationalisation; and
  - equipment load optimisation.
- EBIT decreased by 2.7% to US$109.5m given the lower revenue, which was partly offset through initiatives as noted above.
- EBIT margin increased 50bps to 5.6%.
- Underlying operating cash flow of US$110.9m was broadly consistent with the prior year.
- Continued strong cash conversion of 91.9%, up from 89.2% in FY23.
- RoAFE increased 50bps to 22.2%, with EBIT flat on slightly lower funds employed.

SALES REVENUE (AUD)

$2,981.3m

EBIT (AUD)

$167.0m

Earnings[1]

AUD million	FY24	FY23	Change
Sales revenue	**2,981.3**	3,254.4	(8.4%)
EBIT	**167.0**	167.2	(0.1%)
EBIT margin %	**5.6%**	5.1%	
RoAFE[2]	**22.2%**	21.7%	

USD million	FY24	FY23	Change
Sales revenue	**1,954.5**	**2,190.2**	(10.8%)
EBIT	**109.5**	**112.6**	(2.7%)

Segment cash flow

USD million	FY24	FY23	Change
EBITDA[3]	**174.7**	164.2	6.4%
Lease repayments	**(53.5)**	(41.1)	
Non-cash items	**(0.5)**	3.1	
Cash EBITDA	**120.7**	**126.2**	**(4.4%)**
Movement in total working capital	**2.8**	2.8	
Base capex	**(14.3)**	(16.9)	
Sale proceeds	**1.7**	0.4	
Underlying operating cash flow	**110.9**	**112.5**	**(1.4%)**
Cash significant items	**-**	-	
Operating free cash flow	**110.9**	**112.5**	**(1.4%)**
Cash conversion	**91.9%**	**89.2%**	

[1] As reported in the segment note contained within the financial statements, refer note 1.
Return on Average Funds Employed (RoAFE) is calculated as EBIT divided by average funds employed.
Earnings Before significant items, Interest, Depreciation, Amortisation and Tax.

During the year, OPS launched Jarbot™, a reuse-optimized packaging system that can be shared by a multitude of brands to store a wide range of products. Jarbot™ is a strong example of OPS' ongoing focus on converting new and existing customers toward adopting sustainable packaging solutions.

Jarbot™ is designed to address major cost challenges associated with the scalability of reusable packaging options for consumer packaged goods.

Orora Packaging Solutions

OPS delivered a resilient business performance despite a challenging operational environment, driven by benefits from ongoing transformation and investment in growth.

This enabled EBIT margins to remain above 5% In the second half of the year, despite lower volumes in Distribution.

OPS has the ability to expand margins over time through further footprint optimisation, automation (through modernisation activities) and lifting asset utilisation whilst focusing on resumption of volume growth.

The business also continues to invest in new sales resources to drive medium term sales growth.

Distribution

Distribution revenue declined across all regions, reflecting volume softness due to ongoing soft North American economic conditions.

There were green shoots of improvement late in FY24 with volumes growing through the last quarter. This, combined with ongoing benefits from account profitability and cost to serve, enabled margins to expand for the year.

Manufacturing

In line with the broader industry, Manufacturing revenue declined when compared to the prior year, as the business continued to be impacted by lower trading volumes and activity.

Management remains focused on driving improvements in operating efficiencies, active cost management and operational excellence, as a way of partially mitigating the earnings impact from lower volumes.

Orora Visual

OV continued to execute its business improvement programs which enabled the mitigation of a volume driven revenue decline.

Operational review Global Beverage

Our Beverage business in Australasia delivered a resilient earnings performance, with strong consumer demand for cans offsetting softness in glass, as the business invests to drive future earnings growth.

KEY POINTS

- Global Beverage includes Australasian Glass and Cans and the recently acquired Saverglass.
- With the acquisition of Saverglass on 1 December 2023 and the inclusion of seven months of earnings, Global Beverage experienced significant growth.
- Sales revenue was up by 65.5% to $1,716.3 million.
- EBIT increased 54.6% to $237.0 million.
- Excluding Saverglass, underlying EBIT increased 2.0% on revenue that was 2.5% lower, demonstrating the resilience of Australasian Beverages with strong consumer demand for Cans driving earnings growth, despite ongoing softness in domestic Glass.
- EBIT margin of 13.8% was down 100bps with the inclusion of Saverglass. EBIT margin excluding Saverglass was 15.5%, an increase of 70bps.
- The Australasian Beverage operations are part-way through a multi-year growth capital expenditure program underpinned by long-term customer contracts and a commitment to sustainability.
- Return on Average Funds Employed (RoAFE) was 11.4% including Saverglass or 19.3% excluding Saverglass, a reduction of 250bps, driven by capital expenditure increasing ahead of earnings being realised.
- Cash conversion of 72.6% (excluding base capex for the G3 furnace rebuild) is stronger than the prior year which was impacted by adverse working capital.

SALES REVENUE (AUD)

$1,716.3m

EBIT (AUD)

$237.0m

Earnings[1]

AUD million	FY24	FY23	Change
Sales revenue	**1,716.3**	1,036.9	65.5%
EBIT	**237.0**	153.3	54.6%
EBIT margin %	**13.8%**	14.8%	
RoAFE[2]	**11.4%**	21.8%	

Segment cash flow

AUD million	FY24	FY23	Change
EBITDA[3]	**350.0**	199.5	75.5%
Lease repayments	**(15.5)**	(4.4)	
Non-cash items	**25.6**	20.3	
Cash EBITDA	**360.1**	**215.4**	**67.2%**
Movement in total working capital	**(51.2)**	(89.1)	
Base capex	**(81.1)**	(23.6)	
Sale proceeds	**-**	-	
Operating cash flow	**227.8**	**102.7**	**121.9%**
Cash significant items	**(55.8)**	(34.4)	
Operating free cash flow	**172.0**	**68.3**	**151.8%**
Cash conversion	**72.6%**	53.7%	

[1] As reported in the segment note contained within the financial statements, refer note 1.
[2] Return on Average Funds Employed (RoAFE) is calculated as EBIT divided by average funds employed.
[3] Earnings Before significant items, Interest, Tax, Depreciation and Amortisation.

During the year we entered into an agreement with Queensland Government-owned CleanCo to secure long-term supply of renewable energy for our Cans manufacturing facility at Rocklea. This agreement means to that Renewable energy sources now account for 100% of our electricity needs in Queensland. The Rocklea site plays a critical role in meeting increasing demand for cans so this agreement is important in achieving our climate change targets.

Cans

Cans earnings was higher than FY23, reflecting the impact of continued growth in volumes (up 2.5%), driven by record production, continued strong operating momentum, improved product mix, contract price passthrough mechanisms, cost recoveries and further operating efficiencies.

Volume growth was again underpinned by ongoing strong demand in carbonated soft drink, craft beer, energy drinks and ready to drink (RTD's) products, which benefited from a continuation of the preference shift to Can formats. Growth in Slim, Sleek and multi-size formats was stronger than classic sizes and reflects continued evolution of consumer preferences.

Volume growth slowed in the second half given cost of living pressures facing consumers. This is expected to continue into the first half of FY25.

Glass

Revenue was lower due to reduced volumes of Australian commercial wine and beer which was only partly offset by a benefit from inflation price recovery.

Earnings were impacted by the higher cost of soda ash, albeit this moderated in the second half and storage costs as inventory is built prior to the G3 furnace rebuild. This was partly offset by operating efficiencies and procurement initiatives.

Closures

Closure earnings decreased when compared to the prior year principally due to lower commercial wine volumes.

Saverglass

Saverglass' first seven months contributed revenue of €427.6m, EBITDA of €88.9m and EBIT of €48.8m (excluding AASB 16 Leases and before adjustments for PPA, EBITDA was €85.4m and EBIT was €43.0m).

Financial performance was consistent with the April 2024 trading update but below expectations when the acquisition was announced due to the ongoing global de-stocking environment.

With a leading position in the premium and high-end wine and spirit market and a global production footprint, the business is well positioned for the recovery in demand once the de-stocking cycle is complete.

Corporate Governance Statement

The Board is committed to achieving and demonstrating standards of corporate governance appropriate to the operations and size of the Company, and continuing to refine and improve Orora's governance framework and practices to ensure they meet the interests of shareholders and other stakeholders.

The Board of Directors of Orora Limited and its subsidiaries (Orora or the Company) believe good corporate governance:

- is an integral part of the culture and business practices of the Company; and
- will add to Orora's performance to create shareholder value, while having regard to other stakeholders and an appropriate risk and return framework.

The Board is committed to achieving and demonstrating standards of corporate governance appropriate to the operations and size of the Company, and continuing to refine and improve Orora's governance framework and practices to ensure they meet the interests of shareholders, regulators and other stakeholders.

The Board has adopted Charters and key corporate governance documents which articulate the policies and procedures followed by Orora. These documents, together with Orora's 2024 Annual Report referred to in this Corporate Governance Statement, are available on Orora's website at www.ororagroup.com under the Investors section.

This Corporate Governance Statement summarises Orora's main corporate governance practices for the reporting period, being the year that ended 30 June 2024, which comply with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (ASX Principles).

This Statement is current as at 14 August 2024 and has been approved by the Board.

The Board of Directors

The Board

The Directors of the Company as at the date of this Statement are set out below, all of whom (except Orora's Managing Director and Chief Executive Officer (CEO), Brian Lowe), are independent Non-Executive Directors. Details of each Director's tenure, experience, expertise and qualifications are set out in the Board of Directors section of the 2024 Annual Report and on Orora's website.

- **A R H (Rob) Sindel (Chair)**
- **B P (Brian) Lowe (CEO)**
- **A P (Abi) Cleland**
- **M A (Michael) Fraser**
- **T J (Tom) Gorman**
- **C A (Claude-Alain) Tardy**
  - appointed 4 December 2023
- **S M (Sarah) Hofman**
  - appointed 1 March 2024

S L (Sam) Lewis retired as Non-Executive Director with effect from 1 April 2024. As previously announced, A P (Abi) Cleland will reach her 10 year tenure and will retire in 2024.

The Board periodically reviews its composition, and tenure and succession of the Directors, upon input and recommendation from the Nomination Committee.

Role of the Board

The Board is responsible for the governance of the Company and is accountable to shareholders for guiding and monitoring the effective management and performance of the Company.

The Board Charter, available on Orora's website, sets out how the Board's role, powers and responsibilities are exercised, having regard to principles of good corporate governance, market practice and applicable laws.

The Board operates in accordance with the principles set out in its Board Charter, the Company's Constitution, relevant laws and ASX listing rules.

Responsibilities of the Board

The Board's responsibilities, as summarised in the Board Charter, include:

- defining the Company's purpose and approving and monitoring management's development and implementation of the Group's strategy, plans and core values of the Group;
- setting the risk appetite within which the Board expects management to operate;
- reviewing, approving and monitoring the Company's risk policy and risk management systems (for both financial and non-financial risks), including internal compliance and control mechanisms;
- overseeing the Company's accounting and corporate reporting systems and disclosures;
- approving the overall remuneration policy and remuneration of Non-Executive Directors, the CEO and senior management, including any incentive and/or equity plans;
- overseeing, with recommendations from the Human Resources Committee, that the remuneration policy is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- receiving information regarding material breaches of the Company's Code of Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy and reports of material incidents under the Whistleblower Policy;
- determining the size, composition and structure of the Board, and the process for evaluating its performance;
- approving and removing the CEO and Company Secretary, and approving and reviewing succession plans for the Non-Executive Directors, CEO and senior management;
- satisfying itself that the Board reporting framework is appropriate and, where required, providing constructive feedback to challenge the CEO and senior management;
- ensuring provision of adequate, accurate and timely information to the market of all material information and developments relating to the Company;
- adopting appropriate procedures to ensure compliance with all laws, government regulations and accounting standards;
- approving and monitoring the progress of operating budgets, major capital expenditure and capital management decisions; and
- reviewing and, to the extent necessary, amending the Board and Committee Charters.

Board composition and succession

The Board is committed to ensuring that it is comprised of individuals who collectively have the appropriate skills and experience to develop and support the Board's responsibilities and Company objectives. The Board's composition is determined based on criteria set out in the Company's Constitution and the Board Charter, including:

- a majority of independent Non-Executive Directors and a Non-Executive Director as Chair;
- the Board having an appropriate mix of skills, knowledge, experience, independence and diversity necessary to review and approve the strategic directions of the Company, and to guide and monitor management; and
- re-election of Directors at least every three years (except for the CEO).

Board skills and experience

Board skills matrix

The Board recognises the importance of having Directors with a broad range of skills, backgrounds, expertise, diversity and experience in order to facilitate constructive decision making and facilitate good governance processes and procedures.

The Company has established a Board skills matrix relevant to the Company. A summary of the main skills and experience of the Board as applicable to its strategic objectives is set out in the skills matrix below. A regular assessment of the optimum mix of these skills and experience is conducted which takes into account the strategic positioning of the Company.

The skills attributed to each Director recognise their experience acquired through previous executive or non-executive director roles.

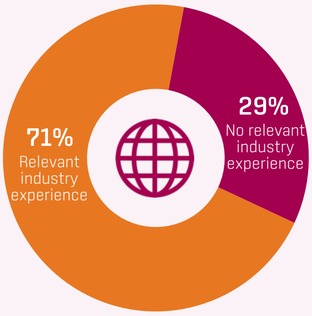
The Board has unfettered access to the Company's senior management team and external consultants for required expertise. The Board considers that there are currently no significant gaps in the skill set that it seeks to have represented on the Board, and that the skills and experience of the Directors are relevant and appropriate to Orora. The Directors of the Company as at the date of this Statement have the following skills:

Skill/Experience	Directors with Skill/Experience
Strategic thinking Experience in developing and implementing enterprise-wide successful strategies, and an effective capital management framework, including appropriately questioning and challenging management on the delivery of agreed strategic planning objectives.	7/7
Workplace safety and health Senior executive or substantial board experience in key workplace safety and health risk, including management, performance and governance of workplace safety and health.	6/7
Financial acumen Experience in financial accounting and reporting, corporate finance and/or restructuring, corporate transactions, including the ability to evaluate the adequacies of financial and risk controls and understand key financial drivers of the business.	7/7
Technology and innovation Experience in oversight, adoption and implementation of technology and innovation to support growth and drive competitive advantage, the ability to understand key factors relevant to Orora including digital disruption, opportunities and risks and cyber risk management.	6/7
People, culture and remuneration Senior executive or substantial board experience leading people, oversight of culture and organisational design, remuneration frameworks that attract and retain a high calibre workforce and a culture that promotes diversity, equity and inclusion.	6/7
Sustainability and environment Senior executive or substantial board experience in management, performance and governance of sustainability, environmental and social responsibility initiatives, risks and opportunities including in relation to sustainability and climate change.	7/7
Corporate governance Experience with a major organisation that is subject to rigorous governance standards, a proven track record of leadership and governance skills, demonstrated behaviours consistent with Orora's values and an awareness of global practices and trends.	7/7
Relevant industry experience Senior executive or substantial board experience in a number of relevant industries, including packaging, manufacturing, FMCG, food and beverage, recycling, industrials and logistics, product or customer strategy.	5/7
Risk management Senior executive or substantial board experience in, or understanding of, identifying and monitoring key existing and emerging risks to an organisation and implementing appropriate risk management frameworks, procedures and controls.	7/7

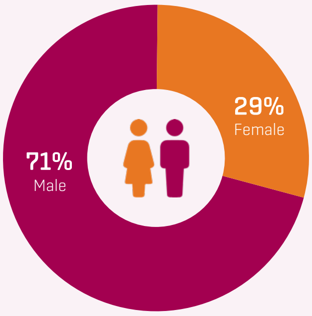
Corporate Governance Statement

Board experience

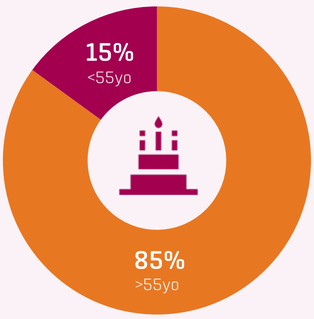
Relevant industry experience as at 30 June 2024



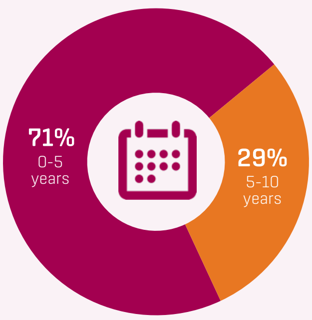
Board gender diversity



Board age



Board tenure



The Company aims to have a diverse skill set and an appropriate mix of gender, thought, age and cultural background represented on the Board. Further details of the Company's diversity objectives and Diversity, Equity and Inclusion Policy are set out in the Sustainability section of the 2024 Annual Report. The relevant industry experience, gender diversity, age and tenure of the Board are shown in the charts on this page.

Directors' independence

The Board has adopted specific principles in relation to Non-Executive Directors' independence as set out in the Board Charter.

The Board Charter states that:

- the Board shall consist of a majority of Non-Executive Directors who are considered by the Board to be independent;
- Directors must immediately disclose to the Company Secretary and the Chair any information, facts or circumstances of which they become aware, which may affect their independence; and
- in the absence of special circumstances, the tenure for Non-Executive Directors should be limited to a maximum of 10 years, to ensure Directors remain demonstrably independent, with a view to best represent the interests of shareholders.

The Board undertakes an annual review of the extent to which each Non-Executive Director is independent, having regard to the relationships affecting the independent status of a Director as described in the ASX Principles and any other matters the Board considers relevant. Where the Board determines a Director is no longer independent, an announcement will be made to the market.

As at the date of this Statement, with the exception of the CEO, the Board considers that each Non-Executive Director is independent.

Conflicts of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with their duties to the Company. The Board has developed procedures to assist Directors to disclose potential conflicts of interest and, each year, all Non-Executive Directors complete independence declarations. Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

The Chair

The Board Charter provides that the Chair should be an independent Director and should not be the CEO. The Chair, Rob Sindel, is considered by the Board to be independent and his role is separate to that of the CEO.

The Chair's role and responsibilities are outlined in the Board Charter and include:

- leadership of the Board and assisting the Board to work effectively and discharge its responsibilities, and encouraging and facilitating a culture of openness and debate between Directors to foster a high-performing and collegiate team;
- maintaining effective communication and promoting constructive and respectful relationships between the Board and management;
- chairing general meetings of the Company;
- setting the agenda for each Board meeting in consultation with the CEO and Company Secretary; and
- representing the Board in communications with shareholders and other key stakeholders.

The Chair has acknowledged that the role will require a significant time commitment and has confirmed that other positions will not hinder the effective performance of the role of Chair.

The Company Secretary

Ann Stubbings is the Company Secretary and was appointed in 2013. Susannah Jobling Hodgens has been appointed as Additional Company Secretary. Details of the Company Secretaries' skills, experience and expertise are set out on pages 53 of this Annual Report. The role of the Company Secretaries are set out in the Board Charter. The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board and its Committees. The appointment or removal of a Company Secretary is a matter for the Board as a whole. Each Director is entitled to access the advice and services of the Company Secretaries.

Checks and information on Directors

Before appointing or proposing a person for election as a Director, Orora conducts all appropriate background checks, including reference checks and criminal and bankruptcy record checks.

Prior to a Director's election or re-election by shareholders, the Board provides shareholders with all material information known to Orora which is relevant to the decision of shareholders to elect or re-elect the Director, in order to assist their decision-making process. This information is contained in the notice of meeting of the Annual General Meeting (AGM) at which the Director's appointment will be considered by shareholders.

A candidate for election or re-election as a Non-Executive Director will be required to provide the Board or Nomination Committee with all material information and an acknowledgement that they will have sufficient time to fulfil their responsibilities as a Director.

Agreements with Directors

Non-Executive Directors are appointed pursuant to a formal letter and a deed of appointment, which set out the key terms relevant to the appointment, including the term of appointment, the responsibilities and expectations of Directors in relation to attendance and preparation for all Board meetings, appointments to other boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice. Non-Executive Directors are expected to spend a reasonable amount of time each year preparing for and attending Board and Committee meetings and associated activities. Other commitments of Non-Executive Directors are considered by the Nomination Committee prior to appointment to the Board and are reviewed each year as part of the annual Board performance assessment.

Director induction and development

Orora has in place a formal process to educate new Directors about the operation of the Board and its Committees, the Company's purpose, values, strategy, any financial, strategic, operational and risk management issues, and the expectations of performance of Directors. This induction program includes providing new Directors with access to previous Board and Committee meeting minutes, Orora's policies and the strategic plan, and facilitating meetings with senior executives.

Directors visit Orora sites on an ongoing basis, and meet with management to gain a better understanding of business operations, safety and culture across Orora. These visits are conducted either as a full Board, or Board Committee, or with individual Directors. Directors are also given access to continuing education opportunities to update and enhance their skills and knowledge.

Performance evaluation

The Board undertakes a performance evaluation to review its performance and that of its Committees (including the performance of the Chair and Committee Chairs), last conducted in 2022, with the intention to continue later in 2024. The Chair reports to the Board regarding the performance evaluation process, having regard to the ASX Principles and the findings of these reviews.

The evaluation may involve surveys by the Directors and the Board, the assistance of external facilitators and consideration of the degree to which each Non-Executive Director has demonstrated the skills relevant to the position of Non-Executive Director or Chair, as applicable.

The 2022 evaluation concluded that the composition of the Company's Non-Executive Directors is appropriate having regard to the skill set, expertise and experience required for a company of Orora's size and geographic spread. The evaluation further concluded that the Company's Committee structure is effective and is well-led by appropriately experienced and skilled Directors.

Independent professional advice and access to information

Each Director has the right to access all relevant Company information and senior executives and, subject to prior consultation with and approval from the Chair, may seek independent professional advice from an advisor suitably qualified in the relevant field at the Company's expense.

A copy of advice received by the Director will be made available for all other Directors.

Corporate Governance Statement

Senior management

Delegations to management

Day-to-day management of Orora is formally delegated to the CEO, supported by senior management, in accordance with the Board Charter and the Company's Delegated Authority Policy, a summary of which is available on Orora's website. These delegations are reviewed on a regular basis to ensure that the division of functions remains appropriate to the needs of the Company.

Senior executive appointments and agreements

The Company conducts all appropriate background checks on prospective senior executives, including reference checks and criminal and bankruptcy record checks.

The Company also has a written agreement in place with the CEO and each senior executive, setting out the terms and conditions of their employment and the obligations they are required to fulfil in their role. Each candidate is required to accept all terms and obligations as a condition of their employment. The key terms of the CEO's and Chief Financial Officer's (CFO) employment contracts are set out in the Remuneration Report in the 2024 Annual Report.

Senior executive induction and performance evaluation

The Company has an established process for the induction of new senior executives, which enables them to gain an understanding of the Company's purpose, values, strategy, financial position, operations and risk management policies.

The performance of senior executives is reviewed on an ongoing basis, and a formal performance evaluation takes place every six months in accordance with the Company's established evaluation process. Senior executives and the CEO are assessed against measurable short- and long-term objectives which are aligned with the Company's business strategy and operating plan, as well as how they have demonstrated behaviours that are consistent with Orora's values. The CEO performs the evaluations of the other senior executives. An evaluation of senior executives was last undertaken in July/August 2024. The outcomes of these assessments are reported to the Board.

The Board is responsible for approving the objectives of the CEO and conducting a formal annual evaluation of the performance of the CEO, including an assessment against these objectives and the demonstration of behaviour consistent with Orora's values.

The outcome of the performance evaluation of the senior executives and the CEO then contribute to the determination of the senior executives' and CEO's remuneration.

The Company's Senior Executive Reward and Evaluation Policy is published on Orora's website.

Further information relating to the performance evaluation of applicable senior executives can also be found in the Remuneration Report in the 2024 Annual Report.

Board Committees

To increase its effectiveness, the Board has established the following standing Board Committees:

- **Audit, Risk & Compliance**
- **Executive**
- **Human Resources**
- **Nomination**
- **Safety, Sustainability & Environment**

The members of these Committees as at the date of this Statement are set out in the table below. Profiles of each member/Director, including their tenure, relevant experience and qualifications, are set out in the Board of Directors section of the 2024 Annual Report and on the Company's website. The Company Secretaries are the Secretaries of each Committee.

Each Committee has a Charter which includes a more detailed description of its role, responsibilities and specific composition requirements. The Charters are available on Orora's website. The Board may establish other Committees from time to time to deal with matters of special importance.

All Directors are welcome to attend Committee meetings even though they may not be a member.

The Committees have access to senior executives and management, and independent advisors. Committee agendas and papers are available to all Directors before the meetings. Copies of the minutes of each Committee meeting are made available to the full Board, and the Chair of each Committee provides an update on the outcomes at the Board meeting that immediately follows the Committee meeting.

Board Committees

Directors	Board	Audit, Risk & Compliance Committee	Executive Committee	Human Resources Committee	Nomination Committee*	Safety, Sustainability & Environment Committee
Rob Sindel	Chair		Chair		Chair	Member
Brian Lowe	Member		Member			
Abi Cleland	Member			Member	Member	Chair
Tom Gorman	Member	Member		Chair		
Sarah Hofman	Member	Chair	Member			
Michael Fraser	Member	Member		Member	Member	
Claude-Alain Tardy	Member			Member		Member

● Chair ● Member * All Nomination Committee matters were dealt with by the full Board during the financial year.

Audit, Risk & Compliance Committee

The Audit, Risk & Compliance Committee Charter provides that all members of the Committee must be Non-Executive Directors, the majority of whom are independent. The Chair must be independent and cannot be the Chair of the Board. At least one member of the Committee must be a qualified accountant or other finance professional with relevant experience of financial and accounting matters. Current members, including the Chair of the Committee, are shown in this Statement and in the Board of Directors section of the 2024 Annual Report.

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting of the Company, the Company's compliance with legal and regulatory requirements and operations, effectiveness of the enterprise risk framework, including monitoring risk parameters of the Company, the Company's systems of internal control and its risk management framework (for financial and non-financial risks), including elevated, new or emerging risks, and such other duties as directed by the Board. The Committee Charter provides that the Committee has the authority and resources necessary to discharge its duties and responsibilities, including meeting with the internal and/or external auditors without management present.

The Committee approves the appointment, or dismissal, of the head of the Company's internal audit function. The head of the internal audit function provides regular reports directly to the Committee.

The Committee is responsible for the appointment, compensation, retention and oversight of the external auditor, including its independence, and review of any non-audit services provided by the external auditor. The Committee's policy is to review the performance of the external auditor regularly regarding quality, costs and independence. In discharging its role, the Committee is empowered to investigate any matter brought to its attention. The Company's current external auditor is KPMG.

The internal and external auditors, the CEO and the CFO are invited to the Committee meetings at the discretion of the Committee Chair.

The Committee is required under its Charter to meet at least quarterly and otherwise as necessary.

Executive Committee

The Executive Committee deals with matters referred to it by the Board or with urgent matters that may not be deferred until the next meeting of the Board. A majority of the Committee members must be independent. Current members, including Chair, of the Committee are shown in this Statement and in the Board of Directors section of the 2024 Annual Report.

Human Resources Committee

The Human Resources Committee assists the Board in fulfilling its responsibilities to shareholders and regulators in relation to the Company's people and culture policies and practices, including overseeing CEO and senior executive remuneration and performance.

All members of the Committee are required to be Non-Executive and independent Directors. The Chair is an independent Director. The Committee reviews the remuneration of the CEO and other senior executives, taking advice from external advisors where appropriate. No individual is directly involved in deciding their own remuneration.

Current members of the Committee, including the Chair, are shown in this Statement and in the Board of Directors section of the 2024 Annual Report. The CEO is not a member of this Committee, but attends meetings by invitation, other than for matters relating to his own remuneration.

The Committee meets at least quarterly and as otherwise required.

Nomination Committee

The Nomination Committee oversees the nomination and succession planning processes for Directors, and reviewing or making recommendations to the Board on matters which the Committee considers necessary, or are requested by the Board.

When a vacancy in the position of Non-Executive Director exists or there is a need for particular skills, the Committee, in consultation with the Board, determines the selection criteria based on the skills deemed necessary, having regard to the skills and experience of the Board as referred to in the Board skills matrix. The Committee identifies potential candidates, with advice from an external third party where appropriate. The Board then appoints the most suitable candidate. Board appointees must stand for election at the next AGM of shareholders following their appointment.

The Committee also makes recommendations to the Board and oversees implementation of the procedure for evaluating the performance of the Board, the Board Committees and each Non-Executive Director, and also oversees and makes recommendations to the Board in respect of any ongoing training requirements for Directors. The Committee comprises three independent Non-Executive Directors, and the Chair of the Board is the Chair of the Committee. Current members of the Committee are shown in this Statement and in the Board of Directors section of the 2024 Annual Report.

Committee members are not involved in making recommendations to the Board in respect of themselves. All Committee matters were dealt with by the full Committee during the reporting period.

Safety, Sustainability & Environment Committee

The Safety, Sustainability and Environment Committee provides advice and assistance to the Board, and reviews and recommends to the Board appropriate safety and sustainability goals and objectives, and monitors the decisions and actions of management. This includes upholding the Company's commitment as a signatory to the United Nations Global Compact (UNGC).

All members of the Committee are required to be Non-Executive and independent Directors. Current members of the Committee, including the Chair, are shown in this Statement and in the Board of Directors section of the 2024 Annual Report.

The Committee meets at least quarterly and as otherwise required.

Attendance at Board and Committee meetings during the reporting period

Details of Director attendance at Board and Committee meetings held during the financial year are provided in the Directors' Report.

Sustainability

Orora's sustainability approach is framed by its obligations as a signatory to the UNGC, matters of utmost importance to key stakeholders and legal requirements.

The pillars that form Orora's sustainability program are **Circular Economy**, **Climate Change** and **Community**.

The Sustainability section of the 2024 Annual Report explains Orora's sustainability governance and reporting, how business-wide processes support Orora's sustainability objectives, how the most important sustainability issues are managed, and the progress made during FY24. The Principal Risks section of the 2024 Annual Report lists Orora's current strategic risks, including exposure to social and environmental risks, and outlines strategies to respond to identified exposures.

Acting ethically and responsibly

Orora recognises the importance of honesty, integrity and fairness in conducting its business, and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and team members are expected to act lawfully and with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Orora continually assesses and updates its policies and procedures to ensure compliance with corporate governance requirements.

Code of Conduct and Ethics, Anti-Bribery and Anti-Corruption and Whistleblower policies and procedures

Orora's Code of Conduct and Ethics Policy (Code) and values set the standards we expect of our people. Further information on Orora's values can be found in the 2024 Annual Report and represent Orora's commitment to act ethically, lawfully and responsibly. The Code is available on Orora's website.

The Code emphasises a strong culture of integrity and ethical conduct in association with independent Anti-Bribery and Anti-Corruption and Whistleblower policies.

These policies cover expectations on a broad range of issues, including environmental management, health and safety, human rights, community engagement, political donations and participation, use of information and its security, market disclosure, fraud, bribery, corruption and the avoidance of conflicts of interest.

Team members and other third parties (including suppliers) can report reasonably suspected misconduct or an improper state of affairs or circumstances within the Company, including unethical/illegal behaviour, coercion, harassment or discrimination, fraud or corrupt practices, or workplace safety or environmental hazards through eligible recipients noted in the Company's Whistleblower Policy, including anonymously through an independent third-party integrity reporting service. The Whistleblower Policy emphasises that Orora will not tolerate anyone being discouraged from speaking up or being adversely affected because they have reported misconduct in accordance with the policy. These policies are available on Orora's website.

Material breaches of the Code or the Anti-Bribery and Anti-Corruption Policy, and reports of material incidents under the Whistleblower Policy, are reported to the Board through the Audit, Risk & Compliance Committee, or the Human Resources Committee, and the program is periodically reviewed for its effectiveness and promoted to team members across Orora.

The Company's Supplier Code of Conduct and Ethics Policy (Supplier Code) sets out the expectations of Orora's suppliers and applies to all suppliers, including all organisations and sub-contractors providing goods and services to Orora, globally. The Supplier Code is available on Orora's website.

Trading in Company securities

Orora has a Share Trading Policy that outlines insider trading laws and prohibits Directors, team members and certain associates from trading in Orora's securities during specified 'blackout periods'.

The blackout periods are (1) the period from the close of trading on 31 December each year until after the announcement to the ASX of the Company's half-year results, (2) the period from the close of trading on 30 June each year until after the announcement of the Company's full-year results, and (3) any other period that the Board specifies from time to time.

Trading of securities during a blackout period can only occur in exceptional circumstances and with the approval of the Company Secretary or, in some circumstances, the Chair.

The Directors and executive team are required to certify their compliance with the policy at the end of each financial year. The policy prohibits Directors, team members and certain associates from engaging in hedging arrangements over unvested securities issued pursuant to any employee option or share plans and certain vested securities that are subject to the Minimum Shareholding Policy. The Share Trading Policy meets the requirements of the ASX Listing Rules on trading policies and is available on Orora's website.

Other policies

The Company has a number of other governance policies which outline expected standards of behaviour of Directors and team members, which are available on Orora's website.

Human rights due diligence

Orora is committed to our people, and the protection of human rights. All forms of slavery in our operations and the operations of our suppliers are opposed. Orora's human rights commitments, due diligence and initiatives can be found in the Sustainability section of the 2024 Annual Report, in our Modern Slavery Statement and on Orora's website under the Sustainability section.

Compliance training

Orora has a compliance training program in place which is completed by team members. This program supports the principles set out in the Code and other applicable policies. Orora also has a comprehensive competition/anti-trust compliance training program.

There are also numerous activities and compliance programs across the Company designed to promote and encourage the responsibility and accountability of individuals for reporting inappropriate or unethical practices.

Diversity, Equity & Inclusion

Orora's major centres of operation, in Australia, New Zealand, Europe and North America, are in some of the most demographically diverse countries. Orora is committed to developing an inclusive and respectful work environment to optimise diversity of thought and background. Bringing together people with different backgrounds and ways of thinking is a powerful source of competitive advantage in driving better decision making, innovation and growth.

Orora's Diversity, Equity and Inclusion Policy, available on Orora's website, recognises the positive differences each team member brings to the business and how Orora team members can connect and work together to capture the benefits of these differences.

Each year Orora reports Gender Equality Indicators in accordance with the *Workplace Gender Equality Act 2012* (Cth). Our 2023 submission can be viewed at the website of the Workplace Gender Equality Agency.

During the reporting period, the proportion of Orora's workforce currently represented by women in senior leadership roles is set out in the chart on this page.

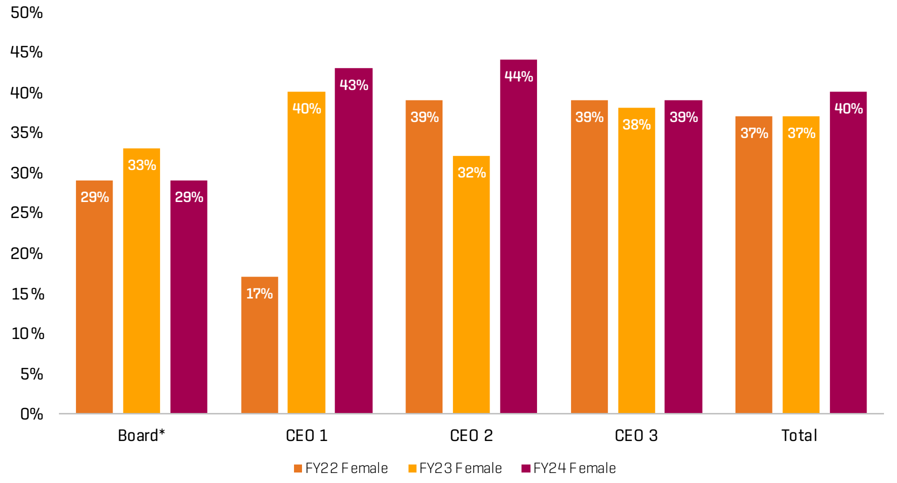
Further information relating to Orora's Diversity, Equity and Inclusion focus and initiatives is included in the Sustainability section of the 2024 Annual Report.

Measurable objectives and progress

Each year the Board approves measurable objectives for diversity, equity and inclusion in the composition of the Board, senior executives and workforce generally, and monitors progress towards achieving them. The measurable objectives for FY24 remain unchanged. The FY24 progress towards achieving these objectives is outlined on this page.

Orora will also progressively add more diversity, equity and inclusion goals as part of its redefined sustainability program.

Female representation in senior leadership roles at each executive level on 30 June 2024



FY24 measurable objectives approved by the Board

FY24 measurable objective	Progress (as at 30 June 2024)
Maintaining not less than 30% of each gender in the composition of Orora's Board	29% female and 71% male Directors.
Ensuring that Orora continues to employ greater than 30% female of all external new hires	28% (161 new females have been recruited across all of Orora in the past 12 months). In FY24, we came in slightly under target at 28%, due largely to higher recruitment numbers in manufacturing roles, which remain male dominated. Outside of these roles, female recruitment would have met target at 32%.
Ensuring that Orora identifies and attracts female talent for Board and senior management vacancies	Orora continues to ensure that female talent candidates are included in Board and senior management succession planning and vacancies - progress is always within the context of hiring the best talent available. There has been an increase in female representation in our Senior Leaders increasing from 37% to 40%.
Supported by:	
The development of women into leadership roles, including through the Women in Leadership at Orora (WILO) program	Orora continues to support development of women into leadership roles and invest in female talent with the WILO program running for the eighth consecutive year in 2024. Ongoing talent reviews for the WILO graduates have been introduced to support continuous development.
Using an objective process in valuing roles and setting comparative male and female remuneration for salaried positions	A role-based remuneration structure has been established globally to reduce unconscious bias during remuneration decision making. Gender pay equity reviews have been introduced at various stages of the remuneration cycle, including during annual remuneration review and incentive outcome assessments.
Promoting holistic working practices, including, but not limited to, continuing to support flexible working arrangements, where practicable and provide training on unconscious bias and inclusion.	Orora continues to prioritise team member health and wellbeing. An ongoing flexible working approach has been introduced at Orora where office-based team members are able to choose between a full five days in the office or alternatively, adopt a hybrid working model between the office and remote working subject to business, team and individual needs. Orora continues to educate team members and leaders on unconscious bias and creating an inclusive culture in the organisation.

Remuneration

Details of Orora's remuneration policies, practices and performance reviews and outcomes, and the remuneration paid to Directors (Executive and Non-Executive) and key management personnel are set out in the Remuneration Report section of the 2024 Annual Report. Non-Executive Directors receive no incentive payments and there are no retirement benefit schemes in place.

Shareholders will be invited to consider and adopt the Remuneration Report at the 2024 Annual General Meeting.

Risk management and assurance

The Company understands and recognises that rigorous risk and opportunity management is essential for corporate stability and for sustaining its competitive market position and long-term performance.

Risk management

The Board is responsible for overseeing the risk management framework, internal controls and systems for monitoring legal and ethical compliance. The Board sets the risk appetite and considers Orora's risk profile on a regular basis to ensure it supports the achievement of Orora's strategic and business goals.

The Principal Risks section of the 2024 Annual Report lists the current strategic risks, including Orora's exposure to social and environmental risks, and outlines our strategies to respond to identified exposures.

Orora's approach to managing the sustainability aspects of strategic and operational risks is set out in further detail in the Sustainability section of the 2024 Annual Report.

The Company has implemented an enterprise risk management (ERM) framework that incorporates the principles of effective risk management, as set out in the Global Risk Management Standard ISO 31000. The ERM seeks to apply risk management across the entire organisation so that all material risks (both financial and non-financial) can be identified, assessed and managed.

The Audit, Risk & Compliance Committee reviews the Company's risk management framework on a regular basis to ensure that it continues to be sound. The framework is in the process of being reviewed. It remains fit for purpose and will be reviewed on an ongoing basis for continuous improvement opportunities.

Several layers assist the Board in ensuring the appropriate focus is placed on the risk management framework:

- **Audit, Risk & Compliance Committee** – provides assistance and advice to the Board in fulfilling its responsibility relating to the Company's financial reporting, internal control structure, risk management systems, including the risk management framework, and the internal and external audit functions.
- **Safety, Sustainability & Environment Committee** – provides assistance and advice to the Board on the management of the Company's safety, sustainability and environment goals, objectives, legal responsibilities and monitoring the decisions and actions of management in upholding the Company's commitment as a signatory to the UNGC and achieving the Company's goal to be a sustainable organisation.
- **Human Resources Committee** – provides assistance and advice to the Board on the Company's people, culture and remuneration policies and practices as well as the Company's involvement in the communities in which it operates.
- **Executive Team** – senior executives have responsibility for driving and supporting risk management across the Orora Group. Each business group within the Group then has responsibility for implementing this approach and adapting it, as appropriate, to its own circumstances.

Orora's Disclosure Committee has responsibility for assessing any potential material risk to Orora in light of its continual disclosure obligations, and any consequent need for market disclosure.

Assurance

The Board is responsible for oversight of the effectiveness of the Company's internal control environment, with input and recommendation from the Audit, Risk & Compliance Committee.

The Board's policies on internal control governance are comprehensive, as noted earlier in this Statement, and include clearly drawn lines of accountability and delegation of authority, as well as adherence to the Code.

In order to effectively discharge these responsibilities, the Company has a number of assurance activities (including internal and external audit) to independently review the control environment and provide regular reports to the Board, the Audit, Risk & Compliance Committee and management committees. These reports and associated recommendations are considered and acted upon to maintain or strengthen the control environment.

Financial reporting

The Audit, Risk & Compliance Committee assists the Board in fulfilling its responsibilities in overseeing Orora's processes which ensure the quality and integrity of financial statements and reporting, compliance with legal and regulatory requirements, and reviewing material changes in accounting or reporting requirements, as well as assessing subsequent effects on Orora's policies and practices.

Before approving the financial statements for each half year and full year, the Board receives a declaration from the CEO and CFO stating that:

- in their opinion, the Company's financial records have been properly maintained and that they comply with the relevant accounting standards and give a true and fair view in all material respects of the Company's financial position and performance; and
- the opinion has been formed based on a sound system of risk management and internal control which is operating effectively.

Verification of corporate reports

The Company completes a documented internal verification process of corporate reports that the Company releases to the market, including those that are not audited or reviewed by the external auditor.

The Company's annual and half-year financial statements are underpinned by a Group-wide certification process where each executive and chief financial officer for each business responds to set questionnaires and signs a certification. This process provides verification and approval for the CEO and CFO to then provide a signed representation letter to the external auditor and a signed declaration to the Board that supports that the accounts provide a true and fair view, that there is integrity in the statements, and that the financial statements comply with the *Corporations Act 2001* (Cth) (Corporations Act) and relevant accounting standards. The CEO and CFO are both present for Board discussions relating to financial statements, and the Audit, Risk & Compliance Committee has private sessions with the external auditor to discuss any issues or concerns without management before recommending the Board approves the release of financial statements to the market. The certification process is reviewed annually having regard to any changes in the Corporations Act, accounting standards or governance practices.

For other types of unaudited periodic corporate reports (including the annual Modern Slavery Statement and this Statement), the Company conducts an internal review and verification process to ensure that such reports are materially accurate and balanced, and to provide investors with appropriate information before approval by the Board and release to the market. External advice is obtained as required.

Engagement with shareholders and other stakeholders

Orora has a number of stakeholders including shareholders, employees, customers, suppliers and local communities. The Board identifies and prioritises Orora's key stakeholders, develops a strategy for engagement with stakeholders and supports management to engage with key stakeholders to understand, consider and respond to issues.

Orora is committed to keeping the market informed in a timely manner and complying with its continuous disclosure obligations (as set out below).

Continuous disclosure and communications

Orora's Market Disclosure and Communications Policy is available on Orora's website and details the Company's procedures to ensure compliance with applicable legal and regulatory requirements under the Corporations Act and the ASX Listing Rules. The policy is approved by the Board and is reviewed regularly to ensure compliance with the ASX Listing Rules and guidance on continuous disclosure. It applies to all Directors and Orora team members. Its purpose is to ensure:

- Compliance with legal obligations to identify and keep the market fully informed of material information.
- That access to this material information is protected and controlled until such material information is announced to the market.
- Orora meets its disclosure obligations.
- That investors are provided with equal and timely access to material information.

Orora's Disclosure Committee meets as required, and often on very short notice, to ensure compliance with the Company's disclosure obligations. The CEO approves disclosures before they are released. The Board approves all disclosures that are significant and Directors receive a copy of all ASX disclosures promptly following release. The Company Secretaries are responsible for communications with the ASX.

Shareholder engagement

Orora is committed to providing shareholders and other financial market participants with consistent and transparent corporate reporting, as well as timely and accurate disclosures.

Shareholders and other stakeholders are informed of all material matters affecting the Company through ASX announcements, periodic communications and a range of forums and publications, available on the Company's website.

Other shareholder engagement activities include:

- Encouraging shareholders to participate in general meetings including the AGM, by attending, exercising voting rights and asking questions of the Board. Orora conducts all voting at general meetings by a poll, ensuring that voting outcomes reflect the proportionate holdings of all shareholders who vote (whether in person or by proxy or other representative). The Company's external auditor attends the AGM and is available to answer questions from shareholders on the conduct of the audit.
- Participating in Orora's investor relations program, which includes investor roadshows and ad-hoc investor meetings and conference calls with institutional investors, private investors and sell-side analysts.
- Engagement with proxy advisors, investor representative organisations and the Australian Shareholders Association.
- Providing through the Company's website up-to-date information about the Company and its operations, the Corporate Governance Framework, the Board and management, ASX announcements, the share price, dividend distributions and other relevant information. Information about Orora is also communicated through a range of other channels, such as LinkedIn.
- Giving shareholders the option to receive communications from, and send communications to, Orora and its share registry electronically.
- New and substantive investor and analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation.

Principal risks

Orora actively manages a range of principal risks and uncertainties with the potential to have a material impact on the Orora Group and its ability to achieve its strategic and business objectives. Orora continuously monitors and re-assesses our principal risks to ensure they remain relevant following any changes in our internal and external environment.

Orora's principal risks are outlined below in no particular order.

Area of Materiality	Risk	Mitigation and Monitoring Strategies
Workplace safety and health	Workplace safety and health events may have the potential to adversely affect Orora's team members and operations.	Orora's commitment to keeping people safe and healthy is paramount and is a core value. Orora's senior leadership team and Board are focused on enhancing Orora's safety culture and performance, and regularly review safety performance and improvement strategies and activities across the business, including mandatory training across all sites.
Business interruption and disruption (including cyber risk and IT resilience)	Orora operates numerous sites across several countries. Circumstances such as natural disaster, political tensions, pandemic, cyber breaches, operational failure or industrial disruption may occur, which may preclude key sites from operating. In these circumstances, operational and financial performance may be negatively impacted.	Business continuity disaster planning and cyber controls are periodically assessed and tested. Key programs of work are also in place to be able to monitor and enhance the effectiveness of security capabilities as the threat landscape continues to evolve. Orora also engages in continuous identification, review and mitigation of property risks, as well as independent loss prevention audits, and has a suitable insurance program in place. Regular reporting on these key risks and control metrics is provided to the Board, Executive and Management.
Economic conditions	Orora is susceptible to major changes in macro-economic conditions globally or in a single country, region or market. Sudden and/or prolonged deterioration in the economy may impact the value chain or industries on which Orora is dependent and could have a material negative impact on operational and financial performance.	Orora seeks to mitigate the severity of impact that deterioration in macro-economic conditions may have by: • operating businesses that have a broad spread of geographic locations, raw material inputs and customers servicing several end-markets • deploying an operating model that focuses on continually improving the value proposition to ensure relevance to the end consumer preferences and current economic climate • creating and maintaining a high-performance culture • remaining disciplined in cash and cost management • continuing to invest in manufacturing capabilities and innovation to improve cost positions.
Competition	Orora operates in highly competitive markets with varying barriers to entry, industry structures and competitor motivational patterns. The actions of established, new or potential competitors may have a negative impact on financial performance.	Orora is well placed to leverage both its regional experience and insight, and its international footprint and scale, to deliver new ideas and value propositions to customers to gain competitive advantage. Orora has strong engagement and builds relationships with its customers, continuously focusing on quality and innovation using technology.
Supply chain	Disruption to Orora's supply chain caused by an interruption to the availability of key components, raw materials, energy supply, or cost-effective transportation may adversely impact delivery timelines for capex projects, sales and/or customer relations, resulting in unexpected delays or increased costs. Orora's businesses are sensitive to input price risks, specifically energy and other commodities, in various forms and with varying degrees of impact. Although Orora seeks to mitigate these risks through various input pricing strategies and pass-through mechanisms, there is no guarantee that Orora will be able to manage all future energy and commodity price movements. Failure to do so may adversely affect Orora's operations and financial performance.	Orora's approach to supply chain risk management is multi-faceted and includes: • implementing a multi-sourcing strategy for the supply of raw materials • customer contracts that provide for regular and timely pass-through of movements in raw material input costs • input pricing strategies including active monitoring of input prices • supplier due diligence and risk management including a supplier assurance framework and code of conduct • a focus on innovation in sustainable energy sourcing and pricing including entering long-term renewable energy power purchase agreements • analysis and use of alternative solutions if supply chain is disrupted.
Talent	Orora's operating and financial performance is largely dependent on its ability to attract and retain talent and, in particular, key personnel. Any loss of key personnel could adversely affect operating and financial performance.	Orora's strategic Human Resources (HR) priorities aim to create an inclusive culture that optimises diversity of background and thought, by attracting and retaining the best talent in the market. Orora continues to invest in a high-performance culture, is encouraged by setting challenging objectives and rewarding high performers, while succession planning is undertaken to develop leadership talent. Orora believes this strategic approach to HR management provides a tangible source of competitive advantage. Remuneration is competitive in the relevant employment markets to attract, motivate and retain talent, and is aligned with business outcomes that deliver value to shareholders.

Area of Materiality	Risk	Mitigation and Monitoring Strategies
Environmental, Social and Governance (ESG)	The physical and non-physical impacts of environmental, social and governance (ESG) risks, including climate change, may affect Orora's licence to operate, assets and productivity. Climate change may present risks arising from extreme weather events affecting business operations and certain customer segments, which could impact the future profitability and viability of Orora. Climate change may also present transition risks which may include but are not limited to changes in the market, regulatory environment, technology and customer preferences, which could also impact the future profitability and viability of Orora. Orora may be subject to human rights and modern slavery risks within its own operations and through its supply chains.	Orora is committed to achieving its ESG goals under three pillars that form its sustainability program - Orora's 'Promise to the Future' Circular Economy, Climate Change and Community. The Sustainability section of this Annual Report summarises the Company's ESG goals, initiatives and progress including Orora's greenhouse gas emission reduction commitments and investments that have been informed by Orora's initial Taskforce on Climate-related Financial Disclosure (TCFD) analysis outlining the risks and opportunities posed by climate change for Orora. The TCFD disclosure along with sustainability activities and disclosures are available on Orora's website under the 'Sustainability' section. ESG risks and opportunities are continually assessed, and overseen by the Board, the Safety, Sustainability & Environment Committee, and the Executive Leadership Team. Orora has a well-established process for Identifying and mitigating human rights and modern slavery risks within its operations and supply chains via its Supplier Assurance Framework; these approaches are outlined in its Modern Slavery Statement that Is available on Orora's website. Orora continuously reviews expenditure plans to mitigate ESG and customer risk, and operating businesses that have a broad geographic spread and customers serving a number of end markets.
Customers and consumer preferences	Orora has strong relationships with key customers for the supply of packaging and Point of Purchase products and related services. These relationships are critical to Orora's success. The loss of a key customer, or a significant quality issue, could have a negative impact on financial performance. Changes in consumer preferences may result in some of Orora's existing product range becoming obsolete or new products not meeting sales and margin expectations. Consumer preferences may be influenced by regulation change and environmental risk, including climate risk (both of these risks are separately listed in this Principal Risks section).	The key to mitigating customer risk is Orora's commitment to being the industry-leading customer-focused sustainable packaging solutions company. This is embedded in Orora's promise to its customers. In addition, no single customer generates revenue greater than 10% of total revenue for the Orora Group. Orora's commitment to responsible capital investment linked to contracted customer demand, innovation, and its strong relationships with its customers, seeks to address evolving consumer preferences. Orora continuously reviews operating and capital expenditure plans to mitigate customer risk or changing consumer preferences.
Capital investments	Orora is increasing expenditure on capital works in response to increasing customer demands for our products, and an ongoing commitment to invest in the upgrade of our plant and equipment. There is a risk that the returns on these investments may vary if customer requirements materially change or there is substantial delay, to the delivery of plant or equipment, increased costs or project execution challenges.	Orora seek to mitigate these risks through a variety of measures including: • linking capital investments to contracted demand • due diligence throughout procurement and tender processes • project oversight through steering and governance committees • an ongoing focus on supply chain issues • reviewing of capital plans and making adjustments when necessary.
Mergers & Acquisitions (M&A)	Orora's growth opportunities are dependent, in part, on disciplined selection and successful integration of acquisition targets that are consistent with the Group's strategy. Failure to be disciplined in selection, effective at integration or focused on capturing value could impact operations and have adverse consequences for the achievement of expected financial benefits.	The Group has an established M&A framework that imposes rigour in target selection, approval, due diligence, integration planning and post-acquisition value capture. In addition, Orora's management team possess experience in undertaking M&A activity and executing the integration process. The business has a detailed plan to ensure the successful integration of new businesses into the Orora Group.
Country, regulatory and tax risk	Orora predominantly operates in Australia, New Zealand, the United States and Europe under a broad range of legal, accounting, tax, regulatory (including environmental) and political systems. The profitability of Orora's operations may be adversely impacted by changes in fiscal or regulatory regimes including tax policies, difficulties in interpreting or complying with the local laws of the countries in which Orora operates and reversal of current political, judicial or administrative policies, including as a result of geopolitical tensions. Orora's customers, many of which operate across a broad range of countries, are subject to regulatory risk in various jurisdictions, which may have an impact on their operations and consequently Orora's operations.	Orora continually monitors changes or proposed changes in regulatory regimes that may have an impact on Orora and, where appropriate, engages consultants and advisors to address specific issues. Where possible, Orora appoints local management teams that bring a strong understanding of the local operating environment and strong customer relationships. Orora also has a compliance training program and its business leaders regularly review country and regulatory risk. Orora's tax affairs are governed by a tax risk framework that is approved, reviewed and reported against by the Audit, Risk & Compliance Committee of the Board. Tax risks are actively monitored and managed.
Litigation	As is the case with all organisations, Orora is exposed to potential legal and other claims or disputes in the ordinary course of business, including contractual disputes and other claims.	Orora takes legal advice in respect of such claims and, where relevant, makes provisions and disclosure regarding such claims in its financial statements. There are no current undisclosed claims or disputes of a material nature.
Financial and treasury	Orora faces a variety of risks arising from the unpredictability of financial markets, including the cost and availability of funds to meet its business needs and movements in market risks, such as interest rates, foreign exchange rates and commodity prices.	Orora's Treasury function adopts a financial risk management policy approved by the Board. Appropriate commercial terms are negotiated, and derivative financial instruments are used, such as foreign exchange contracts, commodity contracts and interest rate swaps, to hedge these risk exposures. In addition, where possible, debt is proportionally drawn down in currencies that align with the proportion of assets in those same currencies to create a natural hedge for foreign exchange risk.

Board of Directors

Rob Sindel

(BEng, MBA, GAICD, FIEAust, CPEng)

Independent Non-Executive Director and Chair

Rob Sindel brings international experience obtained from executive management and leadership positions, principally from his 30-year career in the construction and manufacturing industries both in Australia and the United Kingdom. Rob has particular insights in sales and marketing, in B2B environments, manufacturing process improvement, strategic management and operating in high-risk industries.

Rob was formerly the Managing Director and Chief Executive Officer of CSR Limited from 2011 until 2019. Rob has been a Director of Orora Limited since March 2019 and was appointed Chair of the Board in February 2020.

Directorships of listed entities and other directorships and offices

CURRENT

- Chair, Mirvac Limited (since January 2023) and Director (since August 2020)
- Member, Yalari NSW Advisory Committee (since August 2017)

RECENT (LAST 3 YEARS)

- Director, Boral Limited (since September 2020 to July 2024)

BOARD COMMITTEE MEMBERSHIP

Brian Lowe

(MBA)

Managing Director and Chief Executive Officer

Prior to Orora, Brian Lowe spent eight years with Delphi Technologies where he was Managing Director of the Asia Pacific Powertrain business, including five years based in Shanghai. This followed a 10-year career at General Electric (GE), where he held various leadership roles in sales and marketing, and supply chain. He was Managing Director of GE Plastics, Australia from 2001 to 2003.

In his 13 years at Orora, Brian has been the Group General Manager of the Beverage (2011 – 2015) and Fibre (2016 – 2019) businesses. He was appointed Managing Director and Chief Executive Officer of Orora Limited in October 2019.

BOARD COMMITTEE MEMBERSHIP

Abi Cleland

(BA, BCom, MBA, GAICD)

Independent Non-Executive Director

Abi Cleland has extensive global experience in strategy, M&A, digital and running businesses. This has been gained from senior executive roles in the industrial, retail, agriculture and financial services sectors, including with ANZ, Amcor, Incitec Pivot and as Managing Director of 333 Management, after starting her career at BHP in Australia and Asia.

From 2012 to 2017, Abi established and operated an advisory and management business, Absolute Partners, focusing on strategy and building businesses leveraging disruptive change for large corporates and entrepreneurial businesses. Abi has been a Director of Orora Limited since February 2014.

Directorships of listed entities and other directorships and offices

CURRENT

- Director, Bendigo and Adelaide Bank Limited (since April 2024)
- Director, Coles Group Ltd (since November 2018)
- Director, Computershare Limited (since February 2018)
- Director, Methodist Ladies College Victoria (since January 2021)
- Director, ProbeCX (since September 2022)

RECENT (LAST 3 YEARS)

- Director, Swimming Australia (Audit Chair) (July 2015 to June 2021)
- Director, Sydney Airport Limited (April 2018 to March 2022)

BOARD COMMITTEE MEMBERSHIP

Michael Fraser

(BCom, FCPA, MAICD)

Independent Non-Executive Director

Michael Fraser has a wealth of experience, following a 30-year career at AGL Energy where he held various senior management positions in sales and marketing, distribution, corporate services and regulatory management.

Michael was formerly the Managing Director and Chief Executive Officer of AGL Energy Limited. Michael is currently Independent Chairman of APA Group. Michael has been a Director of Orora Limited since April 2022.

Directorships of listed entities and other directorships and offices

CURRENT

- Independent Chair, APA Group (since October 2017; and Independent Director since September 2015)

RECENT (LAST 3 YEARS)

- Director, Aurizon Holdings Ltd (February 2016 to February 2022)

BOARD COMMITTEE MEMBERSHIP

Tom Gorman

(BA, MA, MBA)

Independent Non-Executive Director

Thomas (Tom) Gorman brings a wealth of experience to Orora, following a 30-year career in executive positions at Ford Motor Company and Brambles Limited, of which he was Chief Executive Officer. Tom has worked in multiple functions including finance, operations, logistics, marketing and business development in England, France, Australia, and the United States (where he is a resident).

Tom graduated cum laude from Tufts University with BA degrees in Economics and International Relations, obtained an MA from the Fletcher School of Law and Diplomacy, and an MBA with distinction from the Harvard Business School. Tom has been a Director of Orora Limited since September 2019.

Directorships of listed entities and other directorships and offices

CURRENT

- Director, Alcoa Corporation (since May 2021)
- Director, Sims Limited (since June 2020)
- Director, Worley Limited (since December 2017)

RECENT (LAST 3 YEARS)

- Director, High Resolves (May 2017 to June 2022)

BOARD COMMITTEE MEMBERSHIP

Sarah Hofman

(MEc, GAICD, CA)

Independent Non-Executive Director

Sarah Hofman is a Chartered Accountant with over 30 years' experience in audit, advisory, capital markets and financial services regulation across the UK, Europe, and Asia Pacific.

Most recently, Sarah held the position of Partner in the Risk & Regulatory Assurance team at PwC for eight years. Sarah was also previously the Chair of the Australia Securitisation Forum, the peak industry body for structured capital markets in Australia. Sarah is a recent graduate of the University of Cambridge Institute for Sustainability Leadership.

Sarah has been a Director of Orora Limited since March 2024.

BOARD COMMITTEE MEMBERSHIP

Claude-Alain Tardy

Independent Non-Executive Director

Claude-Alain brings a depth of experience to Orora, with a career spanning 40 years with the Saint-Gobain Group in various senior management and executive positions across South America, Europe, the USA and Asia. Most recently, Claude-Alain held the position of CEO Construction Specialties, Saint-Gobain. Claude-Alain is currently a non-executive director of Outwork and Vestack.

Claude-Alain has been a Director of Orora Limited since December 2023.

Directorships of listed entities and other directorships and offices

CURRENT

- Director, Outwork (since 2021)
- Director, Vestack (since 2021)

RECENT (LAST 3 YEARS)

- Saint-Gobain (2009 - 2021)
- President SG PAM, Ecophon, Vetrotech, Eurokera, Leca, Kaiman (2019 - 2021)

BOARD COMMITTEE MEMBERSHIP

KEY Committee Member
Chair of each Committee indicated by black circle outline

- Executive Committee
- Human Resources Committee
- Nomination Committee
- Audit, Risk & Compliance Committee
- Safety, Sustainability & Environment Committee

Executive Leadership Team

Brian Lowe

(MBA)

Managing Director and Chief Executive Officer

Prior to Orora, Brian Lowe spent eight years with Delphi Technologies where he was Managing Director of the Asia Pacific Powertrain business, including five years based in Shanghai. This followed a 10-year career at General Electric (GE), where he held various leadership roles in sales and marketing, and supply chain. He was Managing Director of GE Plastics, Australia from 2001 to 2003.

In his 13 years at Orora, Brian has been the Group General Manager of the Beverage (2011-2015) and Fibre (2016-2019) businesses. He was appointed Managing Director and Chief Executive Officer of Orora Limited in October 2019.

Angela Di Iorio

(BBA)

Chief People Officer

Angela Di Iorio is responsible for leading the Group Human Resources and Corporate Affairs and Communications teams at Orora. After joining the business in June 2021, Angela was appointed to the Executive Leadership Team in early 2024.

Angela brings more than 25 years' experience leading transformation and driving the strategic growth of capability within a diverse range of public and private organisations. Angela's experience spans the manufacturing, technology and financial services industries, having early career roles at companies such as Medibank and AXA, and more recently having held senior roles at Simplot and Sensis prior to joining Orora.

Shaun Hughes

(BComm, BA, GAICD, CA ANZ)

Chief Financial Officer

Shaun Hughes was appointed CFO at Orora in October 2020, having spent more than 20 years leading the finance, procurement and IT teams for a range of ASX-listed and multinational companies operating across diverse industries.

Shaun has extensive financial management experience in building and growing organisations having held global leadership roles with Telstra, Elders, IBM and EBOS. Shaun is a member of the Institute of Chartered Accountants of Australia and New Zealand.

Ann Stubbings

(BA/LLB, GAICD)

Chief Safety, Sustainability and Governance Officer, Company Secretary and Group General Counsel

Ann Stubbings leads the Group Safety, Sustainability, and Legal and Company Secretariat teams, and also holds the roles of Orora's Company Secretary and Group General Counsel. Ann has extensive experience in governance, legal as well as leading in safety and sustainability, and people leadership. Ann has been a member of the Orora Executive Leadership Team since Orora's listing on the ASX in December 2013.

Prior to joining Orora, Ann held various senior in-house legal roles in corporate and commercial law, dispute resolution, governance and company secretariat across ASX listed manufacturing and financial services organisations and began her professional career in private legal practice at Hall and Wilcox.

Jean Marc Arrambourg

President Saverglass

Jean Marc Arrambourg brings over four decades of professional experience to the corporate landscape. Commencing his career in 1980 within the plastic packaging industry, his journey evolved significantly, with a predominant focus on glass packaging during his tenure at BSN, a subsidiary of the Danone Group. Subsequent to the acquisition of BSN by O-I, he assumed leadership responsibilities for O-I Europe's European operations.

In late 2017, Jean Marc joined Saverglass, where he ascended to the role of CEO in 2019. Presently, he serves as President Saverglass, steering the strategic direction of the Orora Glass business unit.

Kelly Barlow

[BS Mgt, MBA]

President, Orora Packaging Solutions

Kelly Barlow is the President of Orora Packaging Solutions and brings 22 years of experience at Orora. Prior to being appointed President of Orora Packaging Solutions in February 2023, Kelly served as the Senior Vice President of the Landsberg distribution business.

Kelly has held several other senior leadership roles in distribution during her tenure with Orora in sales, marketing, customer experience, business development, and operations.

Chris Smith

[MBA]

Executive General Manager - Orora Cans

Chris Smith brings more than 24 years of diverse leadership experience across the FMCG and B2B sectors throughout Australia and New Zealand, having previously held management roles at Twinings [Associated British Foods] and Heinz. Prior to this, Chris held various senior sales, marketing and commercial roles at Cadbury Schweppes and Asahi from 2000 to 2010.

Chris is responsible for overseeing the performance and operations of the Orora Cans business unit across Australasia. Chris was appointed to the Executive Leadership Team in early 2024, having first joined Orora in early 2014.

Directors' Report

The Directors of Orora Limited (Orora or the Company) present their report, together with the financial statements of the Company and its controlled entities (collectively referred to as the consolidated entity or the Orora Group), for the financial year ended 30 June 2024.

In this section

Statutory matters

Board of Directors

The Directors of the Company in office as at the date of this report are:

A R H (Rob) Sindel
B P (Brian) Lowe
A P (Abi) Cleland
M A (Michael) Fraser
T J (Tom) Gorman
C A (Claude-Alain) Tardy
S M (Sarah) Hofman

All Directors served on the Board for the period from 1 July 2023 to 30 June 2024. Samantha Lewis retired as Director on 1 April 2024.

Claude-Alain Tardy was appointed Director on 4 December 2023 and Sarah Hofman was appointed Director on 1 March 2024.

The qualifications, experience and special responsibilities of the current Directors, and other directorships held by them during the previous three years, are set out on pages 48 to 49 of this Annual Report.

Company Secretaries

A L (Ann) Stubbings is the Company Secretary of the Company, having commenced the position on listing of the Company on the ASX in December 2013. Ms Stubbings' qualifications and experience are set out on page 50 of this Annual Report.

Susannah Jobling Hodgens, BA/LLB, GDLP, GradDipIR/ER was appointed as an additional Company Secretary in March 2024. She also holds the position of General Counsel at Orora. Prior to joining Orora in 2013, Ms Jobling Hodgens was a lawyer at Corrs Chambers Westgarth and has also held senior roles in Human Resources in professional services.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of Board Committees) held during the period from 1 July 2023 to 30 June 2024, and the number of meetings attended by each Director.

	Board		Audit, Risk & Compliance Committee		Executive Committee		Human Resources Committee		Nomination Committee**		Safety, Sustainability & Environment Committee	
Scheduled Meetings	12		4		3		4		-		3	
Unscheduled Meetings^	9		-		1		-		-		-	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
A P Cleland	21	21	4*	4	-*	3	4	4	-	-	3	3
M A Fraser	20	21	4	4	-*	3	4	4	-	-	3*	3
T J Gorman	20	21	4	4	1*	3	4	4	-	-	3*	3
S L Lewis[1]	12	12	3	3	2*	2	3*	3	-	-	2*	2
B P Lowe	21	21	4*	4	3	3	4*	4	-	-	3*	3
A R H Sindel	21	21	4*	4	3	3	4*	4	-	-	3	3
C A Tardy[2]	12	12	2*	2	-*	2	2	2	-	-	1	1
S M Hofman[3]	9	9	1	1	1	1	1*	1	-	-	1*	1

[1] Ms S L Lewis retired 1 April 2024 as Director.
[2] Mr C A Tardy was appointed 4 December 2023 as Director.
[3] Ms S M Hofman was appointed 1 March 2024 as Director.

A Number of meetings attended.
B Number of meetings held during the time the Director held office (in the case of Board meetings) or as a member of the Committee during the year (in the case of Committee meetings).
* Indicates that although the Director is not a member of a specific Committee, the Director attended the meeting. All Directors are welcome to attend Committee meetings even though they may not be a member.
** All Nomination Committee matters were dealt with by the full Board during the financial year.
^ The Board held a number of unscheduled meetings during the financial year to address matters related to the acquisition of Saverglass . The Board may from time to time establish ad hoc and temporary Committees to address specific needs at the time.

Statutory matters

Operating and financial review

An operating and financial review of the consolidated entity during the financial year and the results of these operations begins at page 30 of this Annual Report.

State of affairs

The acquisition of Saverglass completed on 1 December 2023. Further information regarding the acquisition is provided in note 6.1 and page 83 of this Annual Report.

Principal activities

The principal activities of the consolidated entity at the date of this report are set out in the 'Orora at a glance' section on page 1 of this Annual Report. There were no significant changes in the nature of the principal activities of the consolidated entity during the financial year ended 30 June 2024.

Events subsequent to the end of the financial year

There have been no events subsequent at the date of this Annual Report.

Likely developments

The Operating and Financial Review section from pages 30 to 35 of this Annual Report contains information on the consolidated entity's business strategies and prospects for future financial years and refers to likely developments in the consolidated entity's operations and the expected results of these operations in future financial years. Information on likely developments in the consolidated entity's business strategies, prospects and operations for future financial years and the expected results of those operations has not been included in this report where the Directors believe it would likely result in unreasonable prejudice to the consolidated entity. Details that could give rise to material detriment to the consolidated entity, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage, have also not been included.

Dividends

Dividends paid or declared by the Company to members during the financial year ended 30 June 2024 are set out in note 2.2 to the Financial Statements.

No waiver was sought from the Trustees of the Orora Employee Share Trusts in respect of the entitlement of Treasury Shares held in the Trusts to be paid from the 2024 interim or final dividends, in compliance with Australian Tax Office Tax Determination (TD 2019/13). The Trusts received dividends on unallocated shares and the Employee Share Trusts were subject to tax at the applicable rate on dividends received in respect of the unallocated shares.

Environmental performance and reporting

The Orora Group is committed to continuous improvement of its environmental performance by finding better ways to manufacture and distribute its products. This is guided by the Orora Group's Environmental Policy, a copy of which is available on Orora's website.

(a) Carbon emissions

The *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015* (Rule) made under the *National Greenhouse and Energy Reporting Act 2007* (Cth) (NGER Act) applies to facilities with direct CO_2 emissions (Scope 1) of greater than 100,000 tonnes per year. These facilities are required to maintain their direct emissions below their historical peak level. Facilities that exceed their historical peak CO_2 emissions will be required to purchase CO_2 credits to offset their increase in emissions.

The only Orora Group facility that exceeds the 100,000 tonnes per year CO_2 threshold is the glass facility in Gawler, South Australia.

The Glass facility at Orora moved from a calculated baseline to a production adjusted baseline in FY21. To date, the site has never exceeded the Safeguard Mechanism baseline. This facility complies with its obligations under the Rule.

(b) Greenhouse gas requirements

In Australia, the Orora Group is subject to reporting obligations under the NGER Act.

The NGER Act requires the Company to report on its annual Australian greenhouse gas emissions and energy use. The Orora Group has data gathering and management systems in place that comply with the NGER Act and the Clean Energy Regulator's audit processes. To comply with this obligation, Orora provides a report to the Clean Energy Regulator each year.

(c) Manufacturing

All of Orora Group's manufacturing sites are subject to significant environmental regulation, including, where applicable, specific environmental licences. These licences require discharges to air, land and water to be below specified levels of contamination.

Compliance with these regulations and the Group's overall environmental performance is monitored by Orora's internal Sustainability Team, which liaises directly with divisional and site-based health, safety and environment professionals. Orora Group's environmental performance and material regulatory compliance are also discussed regularly at Executive Leadership Team meetings.

The Directors are not aware of any material breaches of environmental regulations or site-specific licences during or since the financial year ended 30 June 2024.

Directors' interests

The relevant interests of each Director in the share capital of the Company as at 30 June 2024 are as follows:

Name	Number of shares
Directors of Orora Limited	
A P Cleland	191,656
M A Fraser	76,569
T J Gorman	78,000
S L Lewis	140,775[2]
B P Lowe	1,291,486[1]
A R H Sindel	194,902
C A Tardy	40,000
S M Hofman	10,000

(1) Details of rights and options over shares in the Company held by B P Lowe are set out in section 6.4 of the Remuneration Report.
(2) Ms Lewis retired 1 April 2024. The shareholding presented above represents shares held by Ms Lewis at the date of his retirement.

Unissued shares under option

Unissued ordinary shares or interests of the Company under option as at the date of this report are as follows:

Options granted	Expiry date	Issue price	Number under option
30 Oct 2015	30 Sep 2024	2.08	226,567
22 Oct 2018	31 Aug 2027	3.58	1,000,518

These options do not allow the holder to participate in any share or rights issue of the Company. Refer to the Remuneration Report for further information.

Shares issued on exercise of options

There were no ordinary shares of the Company issued during or since the financial year ended 30 June 2024 on the exercise of options granted over unissued shares or interests.

On-market share purchases to satisfy employee share plans

During the financial year ended 30 June 2024, 2,771,986 ordinary shares of the Company were purchased on-market and held on trust to satisfy obligations under the Company's employee incentive plans. The average price per security at which these shares were purchased was $2.54.

Indemnification and insurance of officers

In accordance with the Company's Constitution, the Company has entered into agreements with each person who is, or has been, an officer of the Company. This includes the Directors in office at the date of this report, all former Directors and other executive officers of the Company, indemnifying them against any liability to any person other than the Company, or a related body corporate, that may arise from their acting as officers of the Company, notwithstanding that they may have ceased to hold office. There is an exception where the liability arises out of conduct involving a lack of good faith, or is otherwise prohibited by law.

Statutory matters

During and since the end of the financial year ended 30 June 2024, the Company has paid or agreed to pay the premiums for an insurance policy to insure current and previous Directors and other executive officers of the Company against certain liabilities incurred in that capacity.

Due to the confidentiality obligations and undertakings set out in these agreements, no further details in respect of the premiums paid, or the terms of the agreements, can be disclosed.

No indemnity payment has been made under any of the documents referred to above, during or since the financial year ended 30 June 2024.

Indemnification of auditors

The Company's auditor is KPMG. During and since the financial year ended 30 June 2024:

- no premium has been paid by the Company in respect of any insurance for KPMG
- no indemnity has been paid by the Company in respect of KPMG's appointment as auditor
- no officers of the Company were partners or directors of KPMG, while KPMG undertook an audit of the Company.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court, nor has any application for leave been made in respect of the Company, under section 237 of the *Corporations Act 2001*.

Non-audit services

During the year, KPMG, the Company's auditor, performed certain other services in addition to their statutory duties. The Board has considered the non-audit services provided during the financial year ended 30 June 2024 by the auditor and, in accordance with written advice provided by resolution of the Audit, Risk & Compliance Committee, is satisfied that the provision of those non-audit services during the financial year by the auditors is compatible with the general standard of independence for auditors, and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit, Risk & Compliance Committee to ensure they do not impact the impartiality and objectivity of the auditor. In particular, all non-audit services are approved in accordance with the non-audit services delegations and approvals framework and reported to the Audit, Risk & Compliance Committee at each meeting.
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards. A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* can be found on page 75 of this Annual Report.
- Details of the amounts paid to KPMG and its related practices for audit and non-audit services provided during the financial year are set out in note 7.2 to the Financial Statements. In each case, the engagement of KPMG was made on its merits (based on service level, expertise, cost, as well as geographical spread).

External audit services

The Company appointed KPMG as the Company's external auditor for the financial year ended 30 June 2024.

Rounding off

The Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and except where otherwise stated, amounts in the Financial Statements and Directors' Report have been rounded off to the nearest $100,000 or to zero where the amount is $50,000 or less.

Corporate Governance Statement

The key features of the Company's corporate governance framework are set out in the Corporate Governance Statement, which is available on pages 36 to 45 of this Annual Report.

Remuneration Report

Dear Fellow Shareholder,

On behalf of Orora's Board of Directors, I am pleased to present Orora's Remuneration Report for the financial year ended 30 June 2024.

As the Chair of the Human Resources Committee, I continued to work closely with my Committee colleagues and my colleagues on the Board throughout FY24 to ensure the Company's Human Resources policies and remuneration frameworks are structured to attract, retain and motivate a diverse and talented team, and that Orora's reporting and communication of these policies and frameworks is consistently clear and transparent.

Financial year 2024 performance and remuneration outcomes

The Orora team delivered a resilient earnings performance for FY24 in a challenging operating environment. Group Earnings Before Interest and Tax (EBIT) (excluding Saverglass) were $323.4m in line with FY23. Underlying EBIT, including a seven-month contribution from Saverglass, was $404.0m, up 26% from FY23. Underlying Net Profit After Tax (NPAT) of $223.7m increased by 10.2% despite higher interest expenses from acquisition debt. The team's focus on sustainability and safety has been effective, with recordable case injuries down by 43% and lost time injuries down by 38%, with no serious injuries, and positive progress against sustainability goals.

Executives at Orora are rewarded for performance against business objectives and for delivering longer-term returns for shareholders. Given FY24 was a challenging year, incentive plan outcomes reflect the alignment with shareholder returns, financial performance, and execution of the Company's strategic business objectives.

The Short-Term Incentive (STI) assessment includes financial and non-financial metrics, including safety. In FY24, in view of the significance of the Saverglass acquisition, STI outcomes included a 15% weighting for delivery of Saverglass EBITDA. Saverglass did not achieve its financial objectives, and therefore, no payments were made for this objective. Consequently, the current Executive KMP will receive STI payments between 39% and 42% of the maximum STI opportunity.

The LTI has a three-year performance period and a one-year employment holding lock. For the FY22 LTI grant with performance period ended on 30 June 2024, the performance hurdles were tested and the grant will vest at 34.4% in August 2025, at the conclusion of the one-year employment holding lock. This outcome is a result of the Absolute Total Shareholder Return gateway not being achieved, and the Earnings per Share (EPS) measure partially achieved.

Remuneration changes during the financial year

The Human Resources Committee periodically reviews Orora's Executive Remuneration Framework to ensure it effectively supports Orora's objectives of attracting and retaining strong executive and diverse talent, and aligning executive remuneration outcomes to long-term shareholder returns. The review process undertaken this year included engagement with Orora team members to understand their perspectives, analysis of market practice in similar companies and discussions with Orora's largest shareholders and their proxy advisors on strategy, performance and remuneration.

For FY25, the Board has decided to increase the fixed remuneration of Executive KMP by 3.5%, in line with competitive market increases.

Acquisition of Saverglass

On 1 December 2023, Orora completed the acquisition of the Saverglass business, a global leader in the design, manufacturing and decoration of high-end glass bottles for the premium and ultra-premium spirit and wine markets. Achieving completion of an acquisition of this scale and complexity was a significant achievement by the Orora team. The acquisition and capital raising required the Orora Board to consider any potential impact on Orora's employee equity incentive plans, under the rules governing those plans.

In addition to the impact to STI payments mentioned previously, three LTI grants were established prior to the acquisition of Saverglass. The Board has reviewed each of these LTI grants to ensure there is no material advantage or disadvantage to management arising from the acquisition and capital raising, and consequently has made the following decisions:

- No changes will be made to the performance hurdles for the LTI plans.
- In relation to the FY22 LTI grant on foot, the impact of the Saverglass acquisition and associated equity raising for FY24 will be excluded from the calculation of Return on Average Funds Employed (RoAFE) and EPS. This is because of the distortion to the metrics caused by Saverglass only being owned for part of FY24 and the timing difference between the equity raising in September and Orora taking ownership of the business in December. The Saverglass financial results from 1 July 2024 will be included in full.

The approach outlined above measures management's performance in relation to the core business over the performance period for the FY22 LTI grant while ensuring accountability for the ongoing performance of the whole business, including Saverglass, for the FY23 and FY24 LTI grants.

Final thoughts

I send my sincere thanks to all Orora team members for another year of consistent delivery and solid results.

Thank you to all Orora's shareholders for your support this year. As always, I welcome your feedback and queries regarding the FY24 Remuneration Report provided in the following pages.

Warm regards,

Tom Gorman
Chair, Human Resources Committee

Introduction

The Remuneration Report provides a summary of Orora's remuneration policy and practice for Key Management Personnel (KMP) for the financial year ended 30 June 2024. This report has been prepared as required by the *Corporations Act 2001* (Cth) for the Company and its controlled entities (collectively, the Group or Orora) and has been audited by Orora's external auditor. This Remuneration Report forms part of the Directors' Report.

Structure of this report

Orora's 2024 Remuneration Report is divided into the following sections:

1. Key Management Personnel (KMP)

For the purposes of this Remuneration Report, KMP include Executive and Non-Executive Directors and nominated senior executives who have authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. For the year ended 30 June 2024, the KMP were:

Name	Position	Term as KMP
Non-Executive Directors (NED)		
A R H (Rob) Sindel	Chair	Full year
A P (Abi) Cleland	Director	Full year
T J (Tom) Gorman	Director	Full year
M A (Michael) Fraser	Director	Full year
C (Claude-Alain) Tardy [1]	Director	Partial year
S (Sarah) Hofman [2]	Director	Partial year
S L (Sam) Lewis [3]	Director	Partial year
Executive Director		
B P (Brian) Lowe	Managing Director and Chief Executive Officer (CEO)	Full year
Executive		
S C (Shaun) Hughes	Chief Financial Officer (CFO)	Full year

(1) C Tardy was appointed as a Director on 4 December 2023.

(2) S Hofman was appointed as a Director on 1 March 2024.

(3) S L Lewis retired as a Director on 1 April 2024.

2. Overview of FY24 remuneration

2.1. Summary of remuneration framework

Orora's executive remuneration framework applies to the CEO and all of his direct reports of which the Executive KMP form a subset. This framework was introduced in FY20. Refer to Section 3.1 for a detailed explanation of the current remuneration components. Refer to Section 6.3 for an explanation of performance hurdles used and the vesting schedule.

OUR PURPOSE

To be a leading sustainable packaging solutions provider, designing and delivering products and services that enable our customers' brands to thrive

Our Purpose is supported by our remuneration principles and performance framework, overseen by the Board

REMUNERATION PRINCIPLES

Attract, motivate and retain talent	Drive a high-performance culture	Create long-term shareholder value

REMUNERATION COMPONENTS[1]

Fixed remuneration (FR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
• A market-based reward for role. • Delivered as cash salary and contribution to retirement benefits.	• Rewards the achievement of Group and individual goals over a 12-month period. • CEO has a target STI of 70% of FR and a maximum opportunity of 100% of FR. The other Executives have a target of 50% and a maximum opportunity of 75% of FR. • 2/3 delivered in cash and 1/3 in Deferred Share Rights (DSR) deferred for two years. • Cash-settled Dividend Equivalent Payments (DEP) on DSR component.	• Reinforces focus on creating long-term value for shareholders. • 70% to 100% of FR delivered as an upfront grant of Performance Rights (PR) with a three-year performance period and an additional one-year employment holding lock before vesting.

LINK TO PERFORMANCE

• Any increases in salary will consider the market median remuneration for similar roles and individual performance.	• A scorecard of performance measures at a Group level is used to determine STI award payable. The scorecard represents the key priority areas for the current year and typically includes strategic initiatives (e.g. Sustainability and People) and has a strong weighting towards financial growth and returns. A safety and performance overlay also applies. • Deferral of payment in equity aligns reward outcomes with long-term value creation for shareholders.	The following performance hurdles apply to LTI aligning executive and shareholder interests: • Earnings per Share (EPS) growth with a Return on Average Funds Employed (RoAFE) gateway. • Relative Total Shareholder Return (RTSR).

Supports alignment of Executive and Shareholder interests

Large proportion of remuneration is at risk and delivered as equity.	Clawback and malus provisions apply to all equity.	Use of EPS, RoAFE, and RTSR performance hurdles for PR.	Minimum shareholding requirements.

[1] An award of shares or cash deferred up to five years is occasionally used at the time of recruitment to replace existing entitlements from previous employers or as a specific retention award for existing executives.

2.2. Snapshot of FY24 performance and remuneration outcomes

The Executive KMP remuneration outcomes for the financial year ended 30 June 2024 are summarised below. For more detailed information on remuneration outcomes and link to performance, please refer to Section 4.

Remuneration component	Description
Fixed remuneration	• The Board periodically benchmarks the remuneration of Executive KMP against comparable roles in other ASX-listed companies of similar size and industry dynamics as Orora.
Short-Term Incentive (STI)	**FY24 award** • Orora's STI assessment includes several financial and non-financial metrics (at Group and individual level). In FY24, the STI outcomes were influenced by the inclusion of a Saverglass financial measure with 15% weighting, where threshold was not achieved. • The Group Earnings before Interest and Tax (EBIT) performance was between the threshold and target and average working capital as a % of sales did not achieve the target set by the Board for the financial year ended 30 June 2024. • As a result, STI payments for current Executive KMP will be paid out between 39% and 42% of maximum STI opportunity. **Awards due to vest in FY24 and FY25** • DSR awarded as part of the STI payment for the financial year ended 30 June 2021 vested in September 2023. The Board did not identify any performance or conduct factors that would warrant lapsing of unvested equity. Accordingly, the Board approved full vesting of the FY21 DSR. • DSR awarded as part of the STI payment for the financial year ended 30 June 2022 are due to vest in September 2024. The Board did not identify any performance or conduct factors that would warrant lapsing of unvested equity. Accordingly, the Board approved full vesting of the FY22 DSR. For this equity to vest, the executive must remain employed until the vesting date (September 2024).
Long-Term Incentive (LTI)	**FY24 award** • The CEO and other Executive KMP were awarded 100% and 70% of their FR as Performance Rights respectively with a three-year performance period (1 July 2023 to 30 June 2026) and an additional one-year employment holding lock before vesting. The grant to the CEO was awarded post shareholder approval at the 2023 AGM. **Award tested in FY23 and vesting in FY25** • The FY21 LTI grant had a three-year performance period which ended on 30 June 2023. This grant had a one-year employment holding lock before vesting (August 2024). • As disclosed in last year's report, the grant achieved between threshold and target of the performance hurdles set for the plan. The Board did not identify any performance or conduct factors that would warrant lapsing of unvested equity. Accordingly, 85% of the grant vested in August 2024. **Award tested in FY24 and vesting in FY26** • The FY22 LTI grant had a three-year performance period which ended on 30 June 2024. The grant has a one-year employment holding lock before vesting (August 2025). • 50% of the award had an EPS performance hurdle with a RoAFE gateway and 50% had a RTSR performance hurdle with an ATSR gateway. • For the FY22 LTI, the Saverglass acquisition and the associated equity raising were excluded from the assessment of RoAFE and EPS performance. • The RoAFE gateway was achieved and Orora's EPS growth performance of 5.5% was between the 4% and 8% vesting range for this grant. The ATSR gateway was not achieved and RTSR performance of 28th percentile was below the target (50th percentile of RTSR) vesting range for this grant. • Accordingly, 34.4% of the grant is scheduled to vest in August 2025 post the one-year employment holding lock. For this equity to vest, the executive must remain employed until the vesting date (August 2025).

3. FY24 remuneration framework

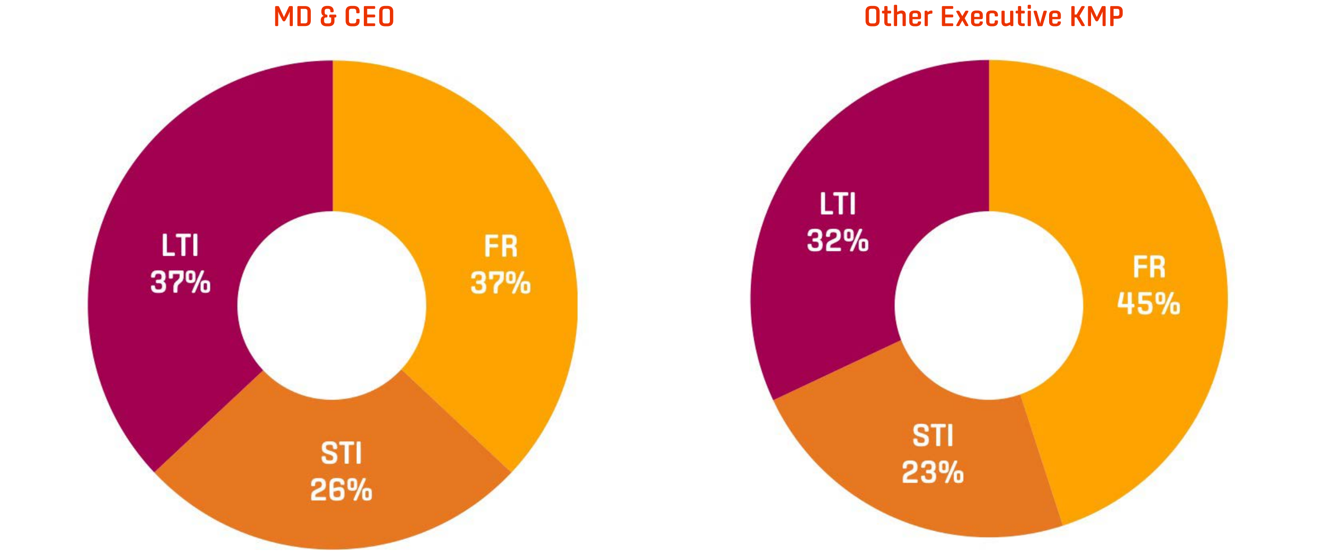
3.1. Remuneration components

Remuneration component	Description
Fixed Remuneration (FR)	• Includes cash salary and contribution to retirement benefits. • The Board sets the fixed remuneration for KMP based on market median remuneration for similar roles in ASX-listed companies of similar size, industry and geographical footprint. The annual review of fixed remuneration takes into consideration market relativity, skills, experience, past performance and impact on total remuneration.
Short-Term Incentive (STI)	• Rewards the achievement of Group and individual financial and non-financial goals over a 12-month period. • 2/3 of the award is delivered annually in cash following the release of the end of year financial results. • 1/3 of the award is delivered in DSR[1] deferred over two years subject to malus conditions. Vesting after two years is subject to continued service. • The number of units is calculated as 1/3 of the STI award divided by the volume-weighted average share price (VWAP) of Orora shares for the 20 trading days up to and including the end of the financial year (30 June). • Cash-settled Dividend Equivalent Payments (DEP) is delivered at the end of the deferral period. • The CEO has a target STI of 70% of FR and a maximum opportunity of 100% of FR. Other executives have a target of 50% and a maximum opportunity of 75% of FR.
Long-Term Incentive (LTI)	• Aligns executive and shareholder interests by reinforcing executive focus on long-term sustainable shareholder returns. • 70% to 100% of FR delivered as PR[1] subject to a three-year performance period and an additional one-year employment holding lock with the following performance hurdles: – Growth in EPS hurdle with a RoAFE gateway - 50% weight – RTSR hurdle - 50% weight • The combination of EPS and RoAFE represents a strong measure of overall business performance. Refer to Section 6.3 for a more detailed explanation of the hurdles used. • After considering internal and external benchmarks, the Board simplified the LTI plan by removing the ATSR gateway for the FY24 LTI grant: – PR subject to EPS hurdle: RoAFE gateway of 15% must be met for the performance period for vesting to occur. If the RoAFE gateway is met, EPS Compound Annual Growth Rate (CAGR) of 4% over the performance period will be required for 50% vesting, with 100% vesting requiring an EPS growth of 8%. – RTSR over the performance period must be at the 50th percentile of the comparator group for 50% vesting, with 100% vesting requiring RTSR to be at the 75th percentile. • The number of units granted is calculated as value of the grant (70% to 100% of FR) divided by the VWAP of Orora shares for the 20 trading days up to and including the end of the financial year (30 June). • For LTI grants from FY22, the share price used to calculate the ATSR of the Group and each of the comparator companies for the performance period will use the 20 trading days VWAP for both the starting share price and the closing share price. The previous approach used five trading days VWAP for the starting share price and 20 trading days VWAP for the closing share price. This change has been made to reduce the impact of share price volatility and to improve consistency.

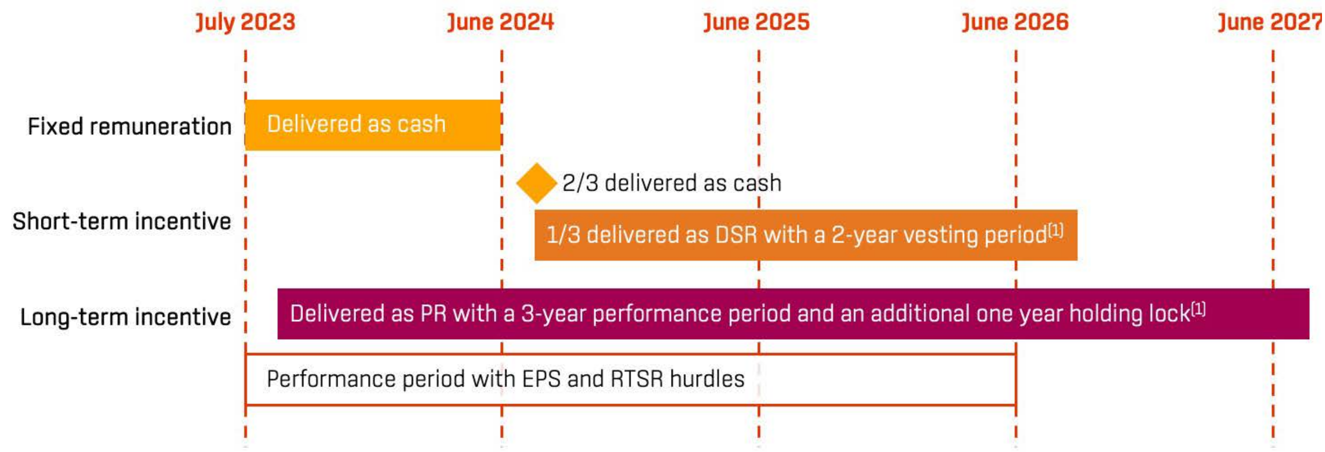
[1] A Right (either DSR or PR) is the right to receive one Orora share (or cash of equivalent value) upon vesting, subject to adjustment for certain capital actions. Rights do not carry any dividend entitlements or voting rights prior to vesting. Shares allocated upon vesting carry the same rights as any other Orora share. For DSR and PR, forfeiture and clawback provisions apply for behaviour contrary to Orora's values or any actions that bring the Group or any company within the Group into disrepute. If employment ceases due to resignation or dismissal, any unvested DSR or PR will lapse. If employment ceases due to other reasons, the Board has discretion with respect to unvested Rights, including to lapse any unvested DSR or PR fully or partially.

3.2. Target remuneration mix and delivery

Orora's executive remuneration framework provides an appropriate mix of short, medium and long-term incentives to attract, motivate and retain talent and to drive high performance. Delivering a significant portion of remuneration in equity (1/3 of STI delivered as DSR deferred over two years and LTI delivered as PR subject to a three-year performance period and an additional one-year employment holding lock) aligns the interests of executives and shareholders.



Delivering a significant portion of remuneration as equity over a four-year period reinforces executive focus on achieving long-term objectives and creating sustainable value for shareholders.

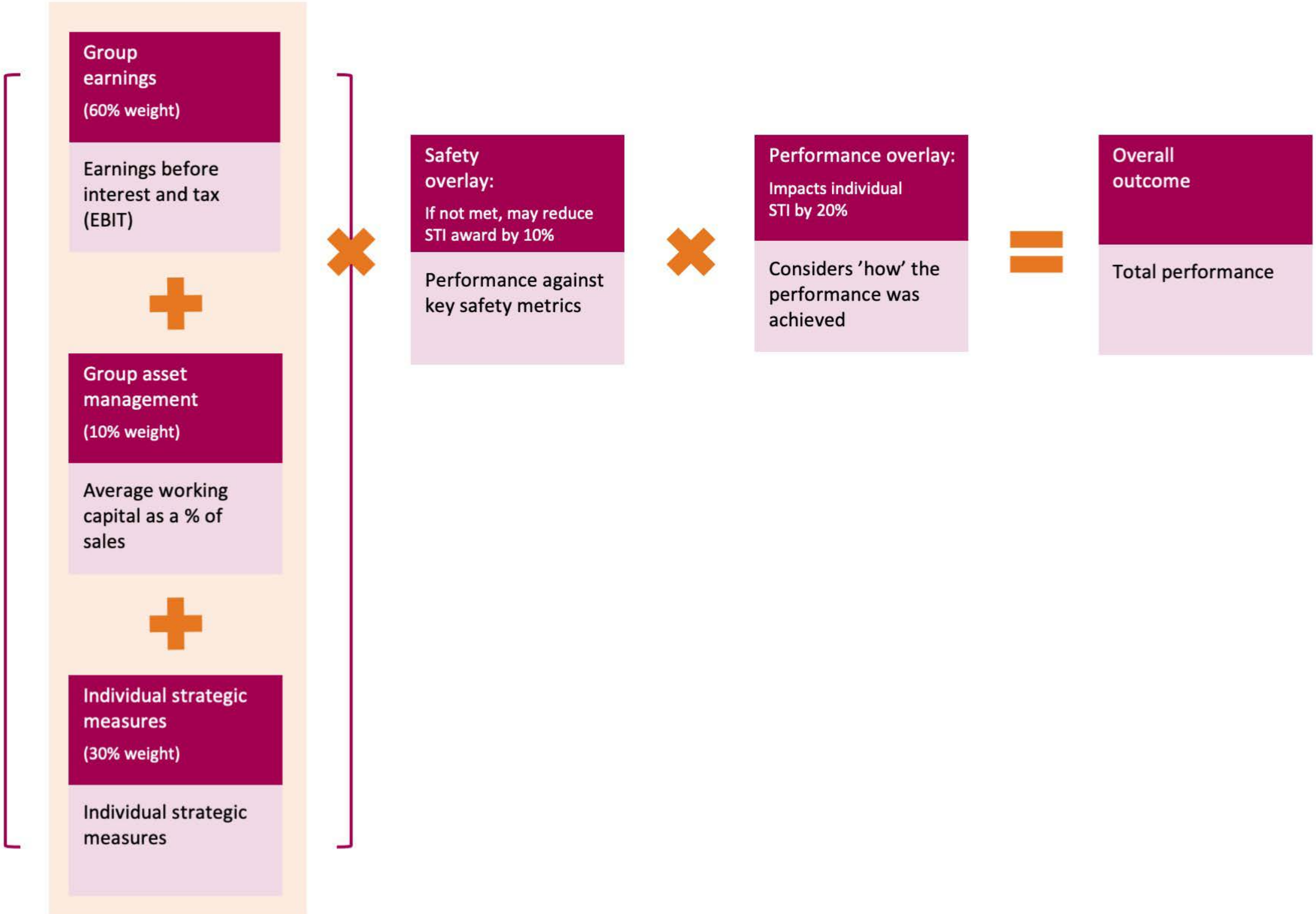


(1) The grants to the CEO are awarded post shareholder approval at the 2023 AGM (for LTI) and 2024 AGM (for STI). The LTI award is due to vest in August 2027.

4. Relationship between performance and remuneration outcomes

4.1. Performance framework

Orora's executives are rewarded for annual performance against challenging business plans as well as longer-term returns for shareholders. Financial and non-financial performance measures that align with the key priority areas for the Group are carefully selected by the Board at the start of the financial year. The performance measures selected for FY24 are summarised below. Note, for Executive KMP, there was a 15% weighting for a Saverglass financial measure (EBITDA) that was included as part of the Group earnings.



4.2. Performance outcome

Achievement against the performance measures both at a Group and individual level is assessed every six months by the Human Resources Committee (HRC), which provides recommendations to the Board. At the end of the financial year, the Board determines the STI outcome for executives based on their performance against the agreed measures.

The STI assessment includes a number of financial and non-financial metrics (at a Group and individual level).

Significant items (both positive and negative) are assessed each year by the Board to determine whether any significant items should be included in the STI assessment.

At the end of the financial year, the HRC reviews Group performance against the LTI performance hurdles to confirm the vesting outcome of any PR that have completed their performance period. The HRC also assesses if there are any significant Group or individual performance factors that require the Board to apply discretion to claw back previously granted equity or reduce the quantum of LTI to be granted.

4.2. Performance outcome (continued)

An overview of the performance measures for FY24 and achievement against these measures is summarised below.

KPI	Performance commentary	Outcome
Group earnings		
Earnings Before Interest and Tax (EBIT)	EBIT earnings (excluding Saverglass) were up 0.9% (down 0.5% on a constant currency basis) and were broadly consistent with FY23 in the face of macroeconomic headwinds across our various markets.	Between threshold and target
Saverglass earnings[1]		
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	Saverglass EBITDA for seven months performance was unfavourable due to the impact of the global customer de-stocking environment.	Below threshold
Group asset management		
Average working capital (AWC) as a % of sales	AWC financial result for the financial year ended 30 June 2024 was below the medium/long-term goal of being less than 11% of sales at 11.8%.	Below threshold
Individual strategic measures		
Performance measures vary for each role and support Orora's strategy of expanding and optimising Group outcomes while delivering our sustainability goals ('Our Promise to the Future')	Performance outcomes varied for executives with assessments ranging from partially achieved to fully achieved. Key achievements included execution of the plan to integrate Saverglass and develop the new Global Glass business for FY25 and GHG emissions activities contributing to an emissions reduction between FY24 and the FY19 baseline year of 17.8% (Location-based factors Scope 2) and 13.8% (Market-based factors Scope 2).	Fully achieved for executive KMP, varied for other executives
Safety overlay		
Performance and leadership against a selection of key safety metrics	Safety results for the financial year ended 30 June 2024 were positive, reflecting a significant improvement in performance. As such, no overlay was applied. A number of initiatives were launched across the business to address safety performance.	No overlay was applied
Performance overlay		
The Board also considers: • If performance was aligned to Orora's values. • If the Executive was proactive in overcoming challenges in the delivery of the final outcome. • What their individual contribution was to the Group performance.	The Board considered how the executives achieved performance and was satisfied that the STI outcomes were appropriate, and no further performance overlay was necessary.	No overlay was applied

(1) Saverglass earnings KPI was included in the STI scorecards for Executive KMP and other select group executives.

4.3. Group financial performance (total operations)

The table below summarises the key indicators of Orora's performance and relevant shareholder returns for the five years to 30 June 2024. The table below shows total operations of the Group including the Australasian Fibre business which was divested during the FY20 financial year, and which is presented in the Financial Report as a discontinued operation.

Financial summary for year ended 30 June	2024[A]	2023[B]	2022[B]	2021[B]	2020[B]
EBIT ($m)	404.0	320.5	285.5	249.1	288.2
Dividends per ordinary share (cents)	10.0	17.5	16.5	14.0	12.0
Closing share price (as at 30 June)	$1.97	$3.29	$3.65	$3.33	$2.54
EPS growth (%)	(19.4%)	11.1%	28.2%	(2.3%)	(22.9%)
NPAT ($m)	223.7	203.0	187.1	156.7	167.3
TSR (%)[C]	(30.9%)	(6.0%)	18.4%	32.6%	(13.4%)
Underlying operating cash flow ($m)[D]	397.0	269.9	272.6	246.0	57.9
RoAFE (%)[E]	14.3%	21.8%	22.4%	19.9%	12.0%

(A) EBIT, NPAT, EPS growth and RoAFE exclude the impact of the after-tax significant item expense amount of $38.5 million recognised relating to transaction costs incurred in respect of the acquisition of Saverglass. Refer to note 1.2 of the financial statements for further detail.
(B) EBIT, NPAT, EPS growth and RoAFE exclude the impact of the significant item income and expense items. Details of the significant items excluded from these measures, for each year in the table above, can be found in the relevant 2020-2023 Annual Reports.
(C) TSR is calculated as the change in share price for the financial year, plus dividends paid during the financial year, divided by the opening share price for the financial year.
(D) Underlying operating cash flow excludes cash significant items that are considered to be outside the ordinary course of operations and non-recurring in nature but includes non-growth net capital expenditure.
(E) RoAFE is calculated as Earnings Before Income and Tax (EBIT) excluding significant items divided by average funds employed.

4.4. Fixed Remuneration changes

Reflecting the overall performance of the Company, along with total compensation outcomes, the Board awarded the CEO and the CFO a fixed remuneration increase of 2.5% in FY24. A minor adjustment was made in July 2024 for Executive KMP to align their superannuation with the increased Superannuation Guarantee rate effective 1 July 2024.

In determining remuneration for executives, Orora considers market relativity, skills, experience and past performance. Remuneration is reviewed annually and approved by the Board. For Australia based executives, Orora uses ASX-listed companies of a similar size (assessed by market capitalisation) and industry for comparison. For US based executives, Orora uses both ASX-listed companies and NYSE/NASDAQ-listed companies of a similar size and industry for comparison. For France based executives, Orora uses select peer groups of companies of both size and industry characteristics for comparison. For FY25, on reviewing market data and considering the overall performance of the Company, the Board has decided that the Executive KMP will receive a fixed remuneration increase of 3.5%, in line with market increases.

4.5. Short-term incentive outcomes

FY24 STI award

An overview of Orora's performance measures for FY24 and achievement against these measures can be found in Section 4.2. Orora's Earnings were between the threshold and target and asset management was below the target set by the Board. After considering individual and business performance against the financial and non-financial targets set by the Board, STI payments to Executive KMP were paid as per the table below.

	STI awarded[1]					% of maximum STI opportunity forfeited
Executive KMP	$	% of maximum STI opportunity	Cash STI ($)	DSR ($)	# of DSR	
B P Lowe	567,030	41.5%	378,020	189,010	94,699	58.5%
S C Hughes	228,177	39.6%	152,119	76,058	38,107	60.4%

(1) The cash and DSR will be granted in September 2024. DSR allocations are determined based on the volume-weighted average price of the Company's shares for the 20 trading days prior to 30 June 2024 ($1.9959 per share).

STI award due to vest in FY24 and FY25

DSR awarded as part of the STI payment for the financial year ending 30 June 2021 vested in September 2023. The Board did not identify any performance or conduct factors that would warrant lapsing of unvested equity. Accordingly, the Board approved full vesting of the FY21 DSR.

DSR awarded as part of the STI payment for the financial year ended 30 June 2022 are due to vest in September 2024. The Board did not identify any performance or conduct factors that would warrant lapsing of unvested equity. Accordingly, the Board approved full vesting of the FY22 DSR. For this equity to vest, the executive must remain employed until the vesting date (September 2024).

4.6. Long-term incentive outcomes

FY24 LTI award

Details of the Executive KMP LTI opportunity and the actual award for FY24 are provided below:

Executive KMP	LTI as % of FR	# of units granted	Face value of grant[1]	Performance hurdles associated with the grant
B P Lowe	100%	422,600	1,081,856	50% CAGR EPS with minimum RoAFE gateway of 15.0%. 50% Relative Total Shareholder Return (TSR). A one-year employment holding lock applies before vesting until 31 August 2027. Refer to Section 3.1 for further details.
S C Hughes	70%	166,656	426,639	

[1] Face value of grant reflects the share price at the date the award was granted. The awards for Mr Lowe and Mr Hughes were granted on 1 December 2023 ($2.56 per share).

LTI tested in FY24 and vesting in FY26

The FY22 grant was delivered as PR with a three-year performance period and an additional one-year employment holding lock for vesting. 50% of the PR are subject to the EPS hurdle with RoAFE gateway and 50% are subject to the RTSR hurdle with ATSR gateway. Refer to Section 6.3 for a more detailed explanation of the hurdles used and the vesting schedule. The performance period for the grant commenced on 1 July 2021 and concluded on 30 June 2024 and this grant is due to vest in August 2025 at the conclusion of the one-year holding lock. The results are outlined below:

Performance hurdles and gateways	Result over the performance period (1 July 2021 to 30 June 2024)	Proportion eligible to vest at the end of the employment holding lock	Proportion lapsed
RoAFE gateway	Achieved	N/A	
EPS hurdle	Partially achieved (19.8%)	68.7%	31.3%
ATSR gateway	Not achieved	N/A	
RTSR hurdle	Not achieved (28th percentile)	0%	100%

As the performance hurdles were partially met, 34.4% of the FY22 LTI grant is eligible to vest in August 2025 at the end of the one-year employment holding lock.

4.7. Total remuneration realised by Executive KMP during FY24

The table below summarises the remuneration realised by Executive KMP during the performance periods ended 30 June 2023 and 30 June 2024. This table has been included to increase transparency and provide shareholders greater clarity around remuneration outcomes. This table differs from the statutory remuneration table in Section 6.2, which presents remuneration in accordance with accounting standards.

Remuneration realised by Executive KMP for FY23 and FY24 is explained below.

Remuneration component	Description
Fixed Remuneration (FR)	• Comprises cash salary and contribution to retirement benefits for the relevant year.
Cash Short-Term Incentive (STI)	• Comprises the cash component of the STI earned in the relevant year which is paid after the issuance of the relevant financial year's annual report.
Deferred Share Rights (DSR)	• Represents the value of DSR that were awarded as part of STI in previous years and vested in the relevant year. For 2024, this comprises the value of DSR awarded as part of the STI payment for the financial year ended 30 June 2021 that vested in September 2023. For 2023, this comprises the value of DSR awarded as part of the STI payment for the financial year ended 30 June 2020 that vested in September 2022.
Performance Rights (PR)	• Represents the value of equity tested at the end of the performance period to 30 June and vesting is approved by the Board. For this equity to vest, the executive must remain employed until the vesting date (and to the end of any applicable employment holding lock periods). For 2024, this comprises the value of FY21 LTI that partially vested. For 2023, this comprises the value of FY20 LTI that vested.

				Incentives realised			
Executive KMP	Year	Fixed Remuneration	Cash STI	DSR[1]	PR[2]	SO	Total remuneration
B P Lowe	2024	1,356,777	378,020	253,543	560,608	-	2,548,948
	2023[3]	1,293,432	556,389	212,951	906,750	-	2,969,522
S C Hughes	2024	764,277	152,119	72,782	302,498	-	1,291,676
	2023	734,737	223,513	-	-	-	958,250

(1) The value of DSR was calculated using the VWAP on the ASX for the 20 trading days up to and including the vesting date. The VWAP for the DSR award that tested during the period was $1.99 per share (2023: $3.35 per share).

(2) The value of PR was calculated using the VWAP on the ASX for the five trading days up to and including the end of the performance period. The VWAP for 30 June 2024 was $1.94 per share (2023: $3.25 per share).

(3) The comparative period remuneration for Mr B P Lowe has been restated for current period presentation. This includes the correction of amounts included within the amount of fixed remuneration and restatement of the DSR value from a five-trading day VWAP in the comparative period to a twenty-day VWAP in the current period.

5. Non-Executive Director remuneration

The NED fee policy enables the Company to attract and retain high-quality Directors with relevant experience. The fee policy is reviewed annually by the HRC. In setting and reviewing NED fees, the HRC considers fees paid by comparable companies and the qualifications and experience necessary for the role, and provides recommendations to the Board.

The Chairman receives a base fee (inclusive of superannuation) of $424,005. NED receive a base fee (inclusive of superannuation) of $214,063 for being a Director of the Board, and additional annual fees as listed below:

- for chairing the Audit, Risk & Compliance Committee (ARCC): $25,000.
- for chairing the HRC or Safety, Sustainability & Environment Committee (SSEC): $20,000.
- where a NED is not a Chair of a Committee, but is a member of two Committees, being membership of the ARCC, HRC and/or SSEC: $20,000.

No additional fees are payable to the Chair of the Board for membership of Committees or other NEDs if they are already remunerated for Chairing the ARCC, HRC or SSEC. No additional fees are paid for Chairing or membership of the Executive or Nomination Committees.

The current NED aggregate fee limit is $1,900,000 as approved by shareholders at the 2015 Annual General Meeting. No increase was made to fixed-base fees or Committee fees, during the financial year ended 30 June 2024.

A minor adjustment (0.5%) was made in July 2024 to superannuation for all NEDs to align with the increased Superannuation Guarantee rate effective 1 July 2024.

NEDs do not receive performance-based remuneration and are not granted equity instruments by Orora as part of their remuneration.

6. Additional required disclosures

6.1. Remuneration governance

The Board maintains overall accountability for the oversight of Orora's remuneration approach for all Orora executives and NEDs, having regard to the recommendations made by the HRC. The HRC reviews and makes recommendations to the Board on NED and executive remuneration and at-risk remuneration policies for all Orora executives taking into account business strategy, corporate governance principles, market practice and stakeholder interests. More information on the Board's role and Orora's corporate governance policies for KMP (including minimum shareholding, share trading, and the prohibition of hedging or margin lending in respect of Orora securities) can be found on Orora's website at: https://www.ororagroup.com/investors/policies-and-standards.

During the reporting period, the HRC did not receive any remuneration recommendations (as defined by the *Corporations Act 2001*) from external consultants.

Remuneration Report

6.2. Statutory remuneration disclosures

Executive KMP remuneration

Details of the Executive KMP remuneration prepared in accordance with statutory requirements and accounting standards during the reporting period are given in the table below.

		Short-term benefits							
Executive KMP	Year	Base salary[1]	Other benefits[2]	Cash STI	Superannuation	Long service leave	Share-based payments (DSR/PR/SO)[3]	Total remuneration	Performance related remuneration
B P Lowe	2024	1,405,884	32,950	378,020	27,399	71,325	891,990	2,807,568	45.2%
	2023	1,277,380	29,555	556,389	25,292	39,812	919,657	2,848,085	51.8%
S C Hughes	2024	829,578	51,489	152,119	27,399	27,190	399,027	1,486,802	37.1%
	2023	691,017	-	223,513	25,149	18,261	349,483	1,307,423	43.8%

(1) The amount disclosed includes base salary and the movement in the short-term employee annual leave benefit.

(2) Other benefits include costs associated with other short-term employment benefits, inclusive of any fringe benefits tax. For S C Hughes other benefits includes costs incurred in respect of his relocation to France.

(3) The value of the share-based payments represents the accounting fair value of restricted shares, options, rights and performance rights granted, collectively referred to as the 'grants'. In accordance with the Accounting Standards the accounting fair value of the grants is recognised proportionally over the grant's performance period. The amounts above represent management's best estimate, at the date of this report, of the likelihood that the performance conditions of the grants being met and will therefore vest, at which point the Executive KMP will be entitled to receive the share-based payment. If the performance conditions are not met, the Executive KMP will not be entitled to the share-based payment.

NED remuneration

Details of the NED remuneration during the reporting period are given in the table below.

NED	Year	Base and Committee fees	Superannuation benefits	Total remuneration
A R H Sindel	2024	396,606	27,399	424,005
	2023	396,606	25,292	421,898
A P Cleland	2024	210,868	23,196	234,064
	2023	210,868	22,141	233,009
M A Fraser	2024	210,868	23,196	234,064
	2023	209,909	22,040	231,949
T J Gorman	2024	234,063	-	234,063
	2023	232,928	-	232,928
C Tardy[1]	2024	135,608	-	135,608
	2023	-	-	-
S Hofman[2]	2024	71,791	7,897	79,688
	2023	-	-	-
S L Lewis[3]	2024	161,576	19,748	181,324
	2023	215,434	22,621	238,055
J L Sutcliffe[4]	2024	-	-	-
	2023	35,145	3,690	38,835

(1) C Tardy was appointed as a Director on 4 December 2023. The remuneration for 2024 represents the period from 4 December 2023 to 30 June 2024.

(2) S Hofman was appointed as a Director on 1 March 2024. The remuneration for 2024 represents the period 1 March 2024 to 30 June 2024.

(3) S L Lewis retired as a Director on 1 April 2024. The remuneration for 2024 represents the period from 1 July 2023 to 1 April 2024.

(4) J L Sutcliffe retired as a Director on 31 August 2022. The remuneration for the comparative period represents the period from 1 July 2022 to 31 August 2022.

6.3. Terms of equity grants

Performance Rights granted from FY21

The awards from FY21 were granted consistent with the terms described in Section 3.1.

Performance Rights subject to an EPS hurdle must first meet a minimum RoAFE gateway to vest. RoAFE is calculated as EBIT excluding significant items divided by the average funds employed in each financial year at the 30 June testing date. EPS measures the earnings generated by the Group attributable to each Orora share. EPS is calculated based on the net profit after tax (NPAT) excluding significant items calculated on a constant currency basis for the relevant financial year divided by the weighted average number of Orora shares on issue.

The growth in the Group's EPS over the relevant performance period will be calculated as the increase in EPS over the base EPS (the normalised EPS outcome for the previous financial year). The compound growth in EPS will be expressed as a cumulative percentage.

For the FY22 plan, the Saverglass acquisition and the associated equity raising were excluded from the assessment of RoAFE and EPS performance.

For the FY23 and FY24 plans, Saverglass results will be included from 1 July 2024 for testing purposes. EPS will continue to be calculated on a constant currency basis, to avoid the variability of foreign exchange translation year to year, and will exclude the amortisation of identifiable assets recognised in relation to the Saverglass acquisition.

The below table shows the adjustments to EPS for the three LTI plans on foot. No changes were made to the performance hurdles for these plans.

FY22 LTI grant	No change to Base EPS.
FY23 LTI grant	Base EPS changes from 21.7 to 19.9 cents.
FY24 LTI grant	Base EPS changes from 24.1 to 22.2 cents.

If the RoAFE gateway is not met in the relevant performance period, all PR subject to the EPS hurdle will lapse. If the RoAFE gateway is met, the PR subject to the EPS hurdle will vest in accordance with the vesting schedule below.

RTSR measures the growth in the Group's share price together with the value of dividends declared and paid or any other returns of capital during the performance period against companies ranked 50 to 150 on the S&P/ASX index as at the start of the performance period.

The share price used to calculate the TSR of the Group and each of the comparator companies for the performance period will be measured as follows:

- the opening share price is the VWAP on the ASX for the final 20 trading days of the previous financial year for PR granted from FY22.
- the closing share price is the VWAP on the ASX for the final 20 trading days of the performance period.

For the FY24 LTI grant, the Board simplified the LTI plan by removing the ATSR gateway. For the FY22 and FY23 plans, PR subject to the RTSR hurdle must first meet a minimum ATSR gateway to vest. The ATSR gateway is a condition that Orora's TSR over the performance period must not be negative. If the ATSR gateway is not met in the relevant performance period, all PR subject to the RTSR hurdle will lapse. If the ATSR gateway is met, the PR subject to the RTSR hurdle will vest in accordance with the vesting schedule below.

% CAGR in EPS over performance period	% of PR subject to EPS hurdle that will vest	RTSR over performance period	% of PR subject to RTSR hurdle that will vest
Below 4%	0%	Below 50th percentile	0%
4%	50%	50th percentile	50%
Between 4% and 8%	Pro-rata straight line vesting will occur between 50% and 100%	Between 50th and 75th percentile	Pro-rata straight line vesting will occur between 50% and 100%
8% or higher	100%	75th percentile or higher	100%

Orora engages the services of an independent external provider to calculate TSR performance. The Board has the discretion to change or modify the gateways and hurdles associated with the plan at the time of grant.

6.4. Options and Rights over equity instruments

The table below shows the DSR, PR and SO held by Executive KMP during the reporting period. Any rights that vest will automatically be exercised at no cost on or around the time that Orora notifies the participant of vesting. During the period no share options vested nor were any exercised by the Executive KMP.

Type of equity	Grant date	Number granted	First date exercisable	Expiry date	Vested		Lapsed		Unvested	Fair value at grant	Exercise price
					Number	%	Number	%	Number		
B P Lowe[1]											
DSR	01/09/2023	85,598	01/09/2025	01/09/2025	-	-	-	-	85,598	$3.29	-
DSR	06/10/2022	108,485	01/09/2024	01/09/2024	-	-	-	-	108,485	$3.02	-
DSR	27/08/2021	127,032	01/09/2023	01/09/2023	127,032	100%	-	-	-	$3.13	-
PR	01/12/2023	422,600	31/08/2027	01/09/2027	-	-	-	-	422,600	$1.51	-
PR	20/10/2022	361,413	31/08/2026	01/09/2026	-	-	-	-	361,413	$1.76	-
PR	05/11/2021	273,847	31/08/2025	31/08/2025	-	-	-	-	273,847	$2.27	-
PR	28/10/2020	339,147	30/08/2024	01/09/2024	-	-	-	-	339,147	$1.81	-
PR	22/11/2019	270,900	31/08/2023	01/09/2023	270,900	100%	-	-	-	$2.23	-
SO	22/10/2018	244,500	30/08/2022	30/08/2027	199,512	82%	44,988	18%	-	$0.38	$3.58
S C Hughes											
DSR	01/09/2023	34,386	01/09/2025	01/09/2025	-	-	-	-	34,386	$3.29	-
DSR	06/10/2022	44,776	01/09/2024	01/09/2024	-	-	-	-	44,776	$3.02	-
DSR	27/08/2021	36,466	01/09/2023	01/09/2023	36,466	100%	-	-	-	$3.13	-
PR	01/12/2023	166,656	31/08/2027	01/09/2027	-	-	-	-	166,656	$1.51	-
PR	05/10/2022	142,282	30/06/2026	01/09/2026	-	-	-	-	142,282	$1.88	-
PR	30/09/2021	148,066	30/06/2025	01/09/2025	-	-	-	-	148,066	$1.99	-
PR	06/11/2020	183,000	30/06/2024	01/09/2024	-	-	-	-	183,000	$1.78	-

(1) B P Lowe was appointed Managing Director and Chief Executive Officer effective 1 October 2019 and was designated a KMP from this date. Grants prior to this date relate to his previous roles.

6.5. Shareholdings

To strengthen alignment of the interests of Orora's executives and NEDs with shareholders, there is a minimum shareholding requirement (MSR).

Executive KMP shareholdings

The CEO and other executives are required to build and maintain a shareholding equivalent to 100% and 50% of FR respectively within six years of their appointment. Once the relevant MSR has been attained, executives must not dispose of Orora equity granted as incentive on or after 1 January 2014, where it will result in them holding less than the MSR.

Executive	Balance on 1 July 2023	Received on exercise of grant	Shares acquired during reporting period	Shares disposed of during reporting period	Closing balance on 30 June 2024	Value of total holdings as a % of FR
B P Lowe	605,932	397,932	287,622	-	1,291,486	184.0%
S C Hughes	105,000	36,466	72,432	(76,569)	137,329	34.7%

Non-Executive Director shareholdings

The Board Charter specifies that, amongst other things, Non-Executive Directors will be expected to purchase Orora shares (at times when they are permitted to trade) to achieve a shareholding equivalent in value to one year's base fee remuneration within five years of joining the Board and maintain at least that level of shareholding throughout their tenure. Existing NED are expected to achieve this shareholding going forward and maintain it throughout their tenure.

NED	Balance on 1 July 2023	Shares acquired during reporting period	Shares disposed of during reporting period	Closing balance on 30 June 2024	Value of total holdings as a % of base fees
A R H Sindel	140,000	54,902	-	194,902	95.6%
A P Cleland	135,425	56,231	-	191,656	176.8%
M A Fraser	55,000	21,569	-	76,569	70.6%
T J Gorman	56,000	22,000	-	78,000	64.8%
C Tardy [1]	-	40,000	-	40,000	57.4%
S Hofman [2]	-	10,000	-	10,000	27.1%
S L Lewis [3]	98,798	41,977	-	140,775	149.2%

(1) C Tardy was appointed as a Director on 4 December 2023.
(2) S Hofman was appointed as a Director on 1 March 2024.
(3) S L Lewis retired as a Director on 1 April 2024. The shareholding presented above represents shares held by Ms Lewis at the date of her retirement.

6.6. Executive KMP service agreements

The details of the contract terms for the Executive KMP are disclosed:

Type of contract	Permanent ongoing
Notice period	Six months
Termination payment	Greater of amount payable required by law and payments in lieu of notice (total termination payment must not exceed 12 months' FR)

6.7. Transactions with KMP

No other transactions occurred between KMP and the Group during the reporting period.

6.8. Loans to KMP or related parties

No loans to KMP or related parties were provided during the reporting period.

Directors' declaration

This Directors' report is made in accordance with a resolution of the Directors.

A R Sindel
Chair

14 August 2024

Auditor's independence declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Orora Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Orora Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Penny Stragalinos
Partner

Melbourne

14 August 2024

Financial Report

This is the financial report of Orora Limited (the Company) and its subsidiaries (collectively referred to as the Group).

The financial report has been prepared in a style that attempts to make the report less complex and more relevant to shareholders. The note disclosures have been grouped into a number of sections with each section also including details of the accounting policies applied in producing the relevant note, along with details of any key judgements and estimates used.

Notes to the financial statements provide information required by statute, accounting standards or Listing Rules to explain a particular feature of the financial statements. The notes which follow also provide explanation and additional disclosures to assist readers in their understanding and the interpretation of the Annual Report and the financial statements.

In this section

Income statement

$ million	Note	2024[1]	2023
Sales revenue	1.1	**4,697.6**	4,291.3
Cost of sales		**(3,781.9)**	(3,491.5)
Gross profit		**915.7**	799.8
Other income	1.4	**9.0**	6.9
Sales and marketing expenses		**(258.8)**	(247.2)
General and administration expenses		**(302.3)**	(265.0)
Profit from operations		**363.6**	294.5
Finance income	1.4	**12.9**	1.4
Finance expenses	1.5	**(116.0)**	(48.9)
Net finance costs		**(103.1)**	(47.5)
Profit before related income tax expense[2]		**260.5**	247.0
Income tax expense	4.1	**(75.3)**	(62.2)
Profit from operations		**185.2**	184.8
		Cents	Cents[3]
Earnings per share for profit attributable to the ordinary equity holders of Orora Limited			
Basic earnings per share	1.3	**14.8**	20.2
Diluted earnings per share	1.3	**14.7**	20.0

(1) The income statement for the current period includes seven months of earnings from Saverglass SAS Group (Saverglass) which was acquired on 1 December 2023 (refer note 6.1).

(2) Profit from operations in the current period includes a significant item of expense of $40.4 million (after tax $38.5 million) relating to transaction costs incurred in respect of the acquisition of Saverglass. Profit from operations in the comparative period includes a significant item expense of $26.0 million (after tax $18.2 million) relating to additional expected costs associated with the decommissioning of the Petrie site. Refer to note 1.2 for further details of the significant items.

(3) In accordance with AASB 133 *Earnings per share*, the 30 June 2023 earnings per share figures have been restated to reflect the bonus element of the share issue that was completed in September 2023 (refer note 1.3).

The above Income statement should be read in conjunction with the accompanying notes.

Statement of comprehensive income

$ million	Note	2024	2023
Profit for the financial period		**185.2**	184.8
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss:			
Cash flow hedge reserve			
Unrealised gain on cash flow hedges	2.4.2	**13.7**	19.4
Realised gain transferred to profit or loss	2.4.2	**(2.2)**	(12.5)
Income tax relating to these items		**(2.6)**	(2.1)
Exchange fluctuation reserve			
Exchange differences on translation of foreign operations		**(85.5)**	21.1
Net investment hedge of foreign operations		**8.0**	-
Other comprehensive income/(expense) for the financial period, net of tax		**(68.6)**	25.9
Total comprehensive income for the financial period attributable to the owners of Orora Limited		**116.6**	210.7

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

$ million	Note	2024	2023
Current assets			
Cash and cash equivalents	2.3	**274.7**	58.4
Trade and other receivables	3.1	**695.9**	517.4
Inventories	3.2	**905.0**	639.1
Derivatives	5.4	**2.5**	9.3
Other current assets	3.4	**56.6**	33.5
Total current assets		**1,934.7**	1,257.7
Non-current assets			
Property, plant and equipment	3.5	**1,756.9**	806.5
Right-of-use assets	3.6	**345.9**	180.7
Deferred tax assets	4.2	**43.4**	12.1
Goodwill and intangible assets	3.7	**1,732.3**	440.1
Derivatives	5.4	**24.2**	9.2
Other non-current assets	3.4	**155.3**	95.5
Total non-current assets		**4,058.0**	1,544.1
Total assets		**5,992.7**	2,801.8
Current liabilities			
Trade and other payables	3.3	**946.6**	758.2
Borrowings	2.3	**6.1**	150.0
Lease liabilities	2.3, 3.6	**98.7**	54.2
Derivatives	5.4	**4.9**	2.2
Current tax liabilities		**30.6**	17.9
Provisions	3.9	**131.7**	102.4
Total current liabilities		**1,218.6**	1,084.9
Non-current liabilities			
Other payables	3.3	**15.5**	12.8
Borrowings	2.3	**1,992.3**	682.4
Lease liabilities	2.3, 3.6	**320.8**	173.4
Derivatives	5.4	**0.9**	1.6
Deferred tax liabilities	4.2	**240.1**	33.1
Provisions	3.9	**112.8**	13.4
Total non-current liabilities		**2,682.4**	916.7
Total liabilities		**3,901.0**	2,001.6
NET ASSETS		**2,091.7**	800.2
Equity			
Contributed equity and treasury shares	2.4.1	**1,279.5**	(38.8)
Reserves	2.4.2	**98.4**	167.5
Retained earnings	2.4.3	**713.8**	671.5
TOTAL EQUITY		**2,091.7**	800.2

The above Statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

		Attributable to owners of Orora Limited						
$ million	Note	Contributed equity and treasury shares	Cash flow hedge reserve	Share-based payment reserve	Demerger reserve	Exchange fluctuation reserve	Retained earnings	Total equity
Balance at 1 July 2022		(37.3)	3.8	10.7	132.9	(8.5)	630.1	731.7
Net profit for the financial period	2.4.3	-	-	-	-	-	184.8	184.8
Other comprehensive income/(expense):								
Unrealised gain on cash flow hedges	2.4.2	-	19.4	-	-	-	-	19.4
Realised gains transferred to profit or loss	2.4.2	-	(12.5)	-	-	-	-	(12.5)
Exchange differences on translation of foreign operations		-	-	-	-	21.1	-	21.1
Deferred tax		-	(2.1)	-	-	-	-	(2.1)
Total other comprehensive income		-	4.8	-	-	21.1	-	25.9
Realised losses transferred to non-financial assets, net of tax	2.4.2	-	0.3	-	-	-	-	0.3
Transactions with owners in their capacity as owners:								
Purchase of treasury shares	2.4.1	(4.5)	-	-	-	-	-	(4.5)
Settlement of options and performance rights	2.4.1	3.0	-	(3.0)	-	-	-	-
Share-based payment expense	7.1	-	-	5.4	-	-	-	5.4
Dividends paid	2.2	-	-	-	-	-	(143.4)	(143.4)
Balance at 30 June 2023		**(38.8)**	**8.9**	**13.1**	**132.9**	**12.6**	**671.5**	**800.2**
Net profit for the financial period	2.4.3	**-**	**-**	**-**	**-**	**-**	**185.2**	**185.2**
Other comprehensive income/(expense):								
Unrealised gain on cash flow hedges	2.4.2	**-**	**13.7**	**-**	**-**	**-**	**-**	**13.7**
Realised gains transferred to profit or loss	2.4.2	**-**	**(2.2)**	**-**	**-**	**-**	**-**	**(2.2)**
Exchange differences on translation of foreign operations		**-**	**-**	**-**	**-**	**(77.5)**	**-**	**(77.5)**
Deferred tax		**-**	**(2.6)**	**-**	**-**	**-**	**-**	**(2.6)**
Total other comprehensive income/(expense)		**-**	**8.9**	**-**	**-**	**(77.5)**	**-**	**(68.6)**
Realised gains transferred to non-financial assets, net of tax	2.4.2	**-**	**(1.3)**	**-**	**-**	**-**	**-**	**(1.3)**
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs	2.4.1	**1,319.5**	**-**	**-**	**-**	**-**	**-**	**1,319.5**
Purchase of treasury shares	2.4.1	**(7.1)**	**-**	**-**	**-**	**-**	**-**	**(7.1)**
Settlement of options and performance rights	2.4.1	**5.9**	**-**	**(5.9)**	**-**	**-**		**-**
Share-based payment expense	7.1	**-**	**-**	**6.7**	**-**	**-**	**-**	**6.7**
Dividends paid	2.2	**-**	**-**	**-**	**-**	**-**	**(142.9)**	**(142.9)**
Balance at 30 June 2024		**1,279.5**	**16.5**	**13.9**	**132.9**	**(64.9)**	**713.8**	**2,091.7**

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement

$ million	Note	2024[1]	2023
Cash flows from/(used in) operating activities			
Profit for the financial period from operations		**185.2**	184.8
Depreciation and amortisation of property, plant and equipment	1.5	**112.2**	62.9
Amortisation of right-of-use assets	1.5	**78.6**	50.0
Amortisation of intangible assets	1.5	**21.6**	10.1
Net finance costs		**103.1**	47.5
Net (gain)/loss on disposal of non-current assets		**(2.0)**	0.1
Fair value loss/(gain) on financial instruments at fair value through income statement		**0.3**	(0.1)
Share-based payment expense	7.1	**6.7**	5.4
Other asset amortisation, net impairment losses and other sundry items		**19.9**	27.9
Restructuring and decommissioning expense	1.2	**-**	26.0
Income tax expense		**75.3**	62.2
Operating cash inflow before changes in working capital and provisions		**600.9**	476.8
- (Increase)/decrease in trade and other receivables		**30.9**	58.4
- (Increase)/decrease in inventories		**46.9**	8.1
- (Increase)/decrease in prepayments and other operating assets		**(14.2)**	(19.2)
- Increase/(decrease) in trade and other payables		**(38.9)**	(173.5)
- Increase/(decrease) in provisions		**(88.1)**	(13.1)
		537.5	337.5
Interest received		**12.9**	1.4
Interest and finance costs paid		**(107.9)**	(48.3)
Income tax paid		**(54.9)**	(40.3)
Net cash inflow from operating activities		**387.6**	250.3
Cash flows from/(used in) investing activities			
Granting of amounts to associated companies and other persons		**1.0**	(0.2)
Government grant received		**4.4**	8.0
Payments for acquisition of controlled entities and businesses, net of cash acquired	6.1	**(2,158.8)**	-
Payments for property, plant and equipment and intangible assets		**(260.8)**	(189.7)
Proceeds on disposal of non-current assets		**2.8**	0.6
Net cash flows used in continuing investing activities		**(2,411.4)**	(181.3)
Net cash inflows/(outflows) from discontinued investing activities[2]		**14.1**	(2.6)
Net cash flows used in investing activities		**(2,397.3)**	(183.9)
Cash flows from/(used in) financing activities			
Proceeds from issue of shares, net of transaction costs	2.4.1	**1,319.5**	-
Payments for treasury shares	2.4.1	**(7.1)**	(4.5)
Proceeds from borrowings[3]		**1,301.4**	137.9
Repayment of borrowings		**(152.5)**	-
Principal lease repayments		**(85.6)**	(55.6)
Dividends paid and other equity distributions	2.2	**(142.9)**	(143.4)
Net cash flows from/(used) in financing activities		**2,232.8**	(65.6)
Net increase in cash held		**223.1**	0.8
Cash and cash equivalents at the beginning of the financial period		**58.4**	52.6
Effects of exchange rate changes on cash and cash equivalents		**(6.8)**	5.0
Cash and cash equivalents at the end of the financial period[4]	2.3	**274.7**	58.4

(1) The cash flow statement for the current period includes seven months of cash flows from Saverglass which was acquired on 1 December 2023. Net operating cash flows include $35.3 million of transactions costs paid.
(2) The net cash flows in respect of the discontinued investing activities in the current period includes proceeds on final settlement, net of payments already provided for, relating to the sale of the Australasian Fibre business. Further details regarding the sale of the Australasian Fibre business can be found in the 2022, 2021 and 2020 Annual Reports.
(3) Short-term draw downs and repayments of facilities are presented net within the financing activities of the cash flow statement.
(4) For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and at bank and short-term money market investments, net of outstanding bank overdrafts. Refer to note 2.3 for details of the financing arrangements of the Group.

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

About this report

Orora Limited (the Company) is a for-profit entity for the purposes of preparing this financial report and is domiciled in Australia. The Company and its subsidiaries (collectively referred to as the Group) are primarily involved in the sustainable manufacture and supply of packaging products and solutions to grocery, fast moving consumer goods and industrial markets.

This financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Accounting Interpretations adopted by the AASB, and the *Corporations Act 2001*. The financial report of the Group also complies with International Financial Reporting Standards (IFRSs) and Interpretations as issued by the International Accounting Standards Board (IASB);
- has been prepared under the historical cost basis except for financial instruments which have been measured at fair value. Non-derivative financial instruments are measured at fair value through the income statement;
- is presented in Australian dollars with values rounded to the nearest $100,000 unless otherwise stated, in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- presents reclassified comparative information where required for consistency with the current period presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2023 (refer note 7.8);
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended, but are not yet effective; and
- has applied Group accounting policies consistently to all periods presented.

This general purpose financial report for the Group for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 14 August 2024. The Directors have the power to amend and reissue the financial report.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled entities. Details of the controlled entities (subsidiaries) of the Company are contained in note 6.2.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that the Group obtains control until the date that control ceases. The subsidiary financial statements are prepared for the same reporting period as the parent company, using consistent accounting policies and all balances and transactions between entities included within the Group are eliminated.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting when control is obtained by the Group.

Foreign currency

Items included in the financial statements of each of the entities included within the Group are measured using the currency of the economic environment in which the entity primarily generates and expends cash (the 'functional currency'). These financial statements are presented in Australian dollars, which is the functional and reporting currency of the Company, Orora Limited.

Transactions in foreign currencies are initially recorded in the functional currency of the entity using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses arising from the translation of the monetary assets and liabilities, or from the settlement of foreign currency transactions, are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or net investment hedges. The amounts deferred in equity in respect of cash flow hedges are recognised in the income statement when the hedged item affects profit or loss and for net investment hedges when the investment is disposed of.

As at the reporting date, the assets and liabilities of entities within the Group that have a functional currency different from the presentation currency, are translated into Australian dollars at the rate of exchange at the balance sheet date and the income statements are translated at the average exchange rate for the year. The exchange differences arising on the balance sheet translation are taken directly to a separate component of equity in the Exchange Fluctuation Reserve.

Judgements and estimates

The preparation of the financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The areas involving a higher degree of judgement or complexity are set out below and in more detail in the related notes:

Note	
Note 3.6	Leases
Note 3.8	Impairment of non-financial assets
Note 3.9	Provisions
Section 4	Income tax
Note 5.1	Derivative financial instruments
Note 6.1	Saverglass acquisition
Note 7.3	Commitments and contingent liabilities

Other accounting policies

Significant and other accounting policies that summarise the measurement basis used, and which are relevant to an understanding of the financial statements, are provided throughout the notes to the financial statements.

Climate change

The Group's current strategy to manage climate-related risks and opportunities is underpinned by Orora's Circular Economy and Climate Change pillars of the Group's Sustainability strategy, Our Promise to the Future. This strategy focuses on reducing gross greenhouse gas emissions across the Group and investing in low emissions technologies and renewable energy sources, as well as maximising the recycled content of our products to ensure they can be continually recycled to minimise waste and pollution and to reduce greenhouse gas emissions.

The Group has committed to achieve net zero greenhouse gas emissions by 2050 for Scope 1 and 2 emissions and a 40% reduction by 2035, both from a FY19 baseline. Under the Circular Economy pillar, the Group has set a target of 60% recycled content for Orora glass beverage containers (pre- and post-consumer) by 2025.

Saverglass operates a Corporate Social Responsibility Program with a commitment to sustainable product development and decarbonisation strategy with clear targets that are aligned with those of Orora. During FY25, a new set of Circular Economy and Climate Change related targets will be developed for Orora including the Global Glass business, ensuring a comprehensive integrated target across the entire Group.

During the period Orora increased the recycled content in the Group's glass beverage packaging and aluminium beverage cans in support of Orora's Circular Economy and greenhouse gas emissions reduction goal.

The development of our first oxygen-fuelled furnace at Gawler progressed in line with schedule. The new furnace will deliver both production and sustainability benefits, helping reduce emissions and making it one of the top 10% of energy efficient furnaces in the world.

The Group also expanded efforts to procure greenhouse gas-free electricity as part of ongoing renewable energy initiatives by entering into long-term power purchase agreements, refer note 5.2.3. This included the execution of a new wind farm power purchase agreement for our Cans facility in Queensland.

The known estimates and approved cash flows required to execute these activities and other initiatives identified by the Group in managing climate-related risks and opportunities have been incorporated into the forecast cash flows when assessing the carrying value of the Group's assets. Orora will continue to develop reporting plans and quantitative analysis around the Group's climate change strategy, the financial implications of which will be considered and built into future cash flow assumptions. Any change to the Group's strategy around climate change and the circular economy could impact these forecasts and assumptions.

Future changes in the Group's climate change strategy, global regulatory requirements and expectations of customers, investors and the communities the Group operates within may impact the Group's significant judgements and estimates and may result in changes to the financial results and the carrying values of certain assets and liabilities in future reporting periods.

Current period events

Dividend

During the financial year the Group paid an unfranked FY23 final dividend of $76.0 million at 9.0 cents per ordinary share and an unfranked FY24 interim dividend of $66.9 million at 5.0 cents per ordinary share.

Since 30 June 2024 the Directors have determined a final dividend for FY24 of $67.2 million, 5.0 cents per ordinary share unfranked. Refer note 2.2 for further details.

Saverglass acquisition

The Group completed the acquisition of Saverglass on 1 December 2023, upon satisfaction of all condition's precedent within the Share Purchase agreement. The final acquisition cost, net of cash acquired, was $2,158.8 million (€1,309.7 million).

The acquisition was funded via a fully underwritten equity raising of $1,345.0 million (refer note 2.4.1) and €576.0 million (A$875.0 million) of debt refinancing (refer note 2.3.2). The equity raising which occurred in September 2023 comprised a A$450.0 million Institutional Placement and a $895.0 million 1-for-2.55 accelerated non-renounceable pro-rata entitlement offer.

Transaction costs of $40.4 million (after tax $38.5 million) have been recognised in general and administrative expenses in the income statement (refer note 1.2). In addition, costs of $8.2 million incurred with regards to debt financing associated with the acquisition have been capitalised, and $25.5 million of costs related to the equity raising have been charged to equity.

The acquisition of Saverglass completed 1 December 2023 and therefore the earnings attributable to this business are included in the income and cash flow statement of the Group from this date.

The acquisition method is used to account for all business combinations which requires goodwill to be measured, at acquisition date, as the fair value of the consideration transferred less the fair value of identifiable assets and liabilities acquired.

Management engaged an independent valuer to assist with the determination of the fair values of the acquired assets and liabilities, including separately identifiable intangible assets.

Estimating the fair value of the acquired balance sheet of the Saverglass business is complex and requires considerable judgement, including the identification and measurement of separately identifiable intangible assets.

The fair value of the identifiable net assets acquired, and liabilities assumed, of Saverglass consolidated into the Group's balance sheet at 30 June 2024 have been provisionally determined and are therefore subject to change.

Further information regarding the acquisition is provided in note 6.1.

Current period events (continued)

Group financing

During the year ended 30 June 2024, the Group upsized the existing A$460.0 million Global Syndicated Multicurrency Revolving Facility, maturing in November 2024, to a A$600.0 million and €760.0 million facility to partially fund the acquisition of Saverglass (refer note 6.1) and provide appropriate liquidity for the Group. The refinancing was completed in November 2023.

Refer to note 2.3.2 for details regarding the Group's borrowings held at 30 June 2024.

Decommissioning costs

In the comparative period the Group recognised a significant item expense of $26.0 million (after tax $18.2 million) relating to anticipated additional costs associated with the decommissioning of the former Petrie Mill site. The significant item expense is presented in the income statement within 'general and administration' expense.

The decommissioning of the Petrie site is a significant and complex exercise involving multiple government agencies. At the date of this report, all major on-site works are complete with the remaining activity largely focused on the preparation and submission of the required documentation to the appropriate government departments.

The provision at 30 June 2024 (refer note 3.9) represents management's best estimate in respect of the anticipated costs to complete the above activity, using all currently available information and considering applicable legislative and environmental regulations.

The notes to the financial statements

The following notes include information which is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant due to its size or nature of the information:

- is important for understanding the Group's current period results;
- provides an explanation of significant changes in the Group's business - for example, business acquisitions; or
- it relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- *Results for the year* - provides details on the results and performance of the Group for the year;
- *Capital structure and financing* - outlines how the Group manages its capital structure and related financing activities;
- *Assets and liabilities* - provides details of the assets used to generate the Group's trading performance and the liabilities incurred as a result;
- *Income tax* - provides information on the Group's tax position and the current and deferred tax charges or credits in the year;
- *Financial risk management* - provides information on how the Group manages financial risk exposures associated with holding financial instruments;
- *Group structure* - explains the characteristics of and changes within the Group structure during the year;
- *Other notes to the financial statements* - provides additional financial information required by accounting standards and the *Corporations Act 2001*, including details of the Group's employee reward and recognition programs and unrecognised items.

Section 1: Results for the year

In this section

This section focuses on the results and performance of the Group. On the following pages you will find disclosures explaining the Group's results for the year, segment information, significant items and earnings per share.

This section also analyses the Group's profit before tax by reference to the activities performed by the Group and an analysis of key operating and finance costs. Earnings before significant items, interest and related income tax expense (EBIT) is a key profit indicator for the Group. This measure excludes discontinued operations and the effects of individual significant gains or losses arising from events that are not considered part of the core operations of the business that may have an impact on the quality of earnings and reflects the way the business is managed and how the Directors assess the performance of the Group.

1.1. Segment results

The Group's reporting segments are organised and managed according to their business activities. Each segment represents a strategic business that offers different products and operates in different industries and markets. The Corporate Executive Team, the chief operating decision-makers (CODM), monitor the operating results of the business separately for the purpose of making decisions about resource allocation and performance assessment.

With the integration of the acquired Saverglass business into Orora the reporting segments of the Group are now represented by Orora Global Beverage business comprising the newly acquired Saverglass business and the Australasia beverage operations, and a global Orora Packaging Solutions business. The comparative period information has been represented to align with the Group's new reporting segments.

The results of the reportable segments for the year ended 30 June 2024 and 30 June 2023 are set out below.

	Global Beverage		Orora Packaging Solutions		Total Reported	
$ million	2024	2023	2024	2023	2024	2023
Reportable segment revenue						
Reportable segment revenue[1]	**1,716.3**	1,036.9	**2,981.3**	3,254.4	**4,697.6**	4,291.3
Reportable segment earnings						
Earnings before significant items, interest, tax, depreciation and amortisation	**350.0**	199.5	**266.4**	244.0	**616.4**	443.5
Depreciation and amortisation	**(113.0)**	(46.2)	**(99.4)**	(76.8)	**(212.4)**	(123.0)
Earnings before significant items, interest and tax	**237.0**	153.3	**167.0**	167.2	**404.0**	320.5
Allocated finance expense - lease liabilities interest	**(4.6)**	(0.5)	**(14.4)**	(9.5)	**(19.0)**	(10.0)
Earnings before significant items, unallocated interest and tax	**232.4**	152.8	**152.6**	157.7	**385.0**	310.5
Capital spend on the acquisition of property, plant and equipment and intangibles and other growth spend	**231.1**	163.2	**25.3**	30.6	**256.4**	193.8
Receivables	**358.1**	139.4	**383.1**	391.8	**741.2**	531.2
Inventory	**704.7**	383.5	**200.3**	255.6	**905.0**	639.1
Payables	**(524.3)**	(327.1)	**(387.3)**	(415.1)	**(911.6)**	(742.2)
Total reportable segment working capital	**538.5**	195.8	**196.1**	232.3	**734.6**	428.1
Average funds employed[2]	**2,077.9**	701.9	**752.5**	770.0	**2,830.4**	1,471.9
Operating free cash flow[3]	**172.0**	68.3	**169.2**	167.2	**341.2**	235.5

(1) Represents total revenue from external customers. Across all segments, in accordance with AASB 15 *Revenue from Contracts with Customers*, the timing of revenue recognition materially occurs at a point in time, refer note 1.4.

(2) Average funds employed excludes intersegment balances and represents net assets less net debt and assets under construction, at the beginning and end of the reporting period.

(3) Operating free cash flow represents the cash flow generated from the Group's operating activities and non-growth capital expenditure activities, including lease payments but before interest, tax and dividends. In the current period the operating free cash flow of the Global Beverage segment includes an outflow of $20.5 million (2023: $34.4 million) representing expenditure on the decommissioning of the Petrie site, refer notes 1.2 and 3.9.

Section 1: Results for the year (continued)

1.1. Segment results (continued)

The following summary describes the operations of each reportable segment.

Global Beverage

This segment, with operations spanning across Australasia, Europe, North America and the UAE, manufactures and provides premium glass, closures and aluminium can packaging solutions. The business produces beverage cans and a spectrum of quality glass packaging, ranging from the manufacturing and decoration of high-end glass bottles to standard bottles and closures.

Orora Packaging Solutions

This segment, predominantly located in North America, provides vertically integrated sustainable manufacturing, distribution and visual solutions through its corrugated sheet and box manufacturing and equipment sales capabilities. The business produces custom packaging designs, automation and supply chain optimisation and visual solutions for a broad range of markets.

Accounting policies

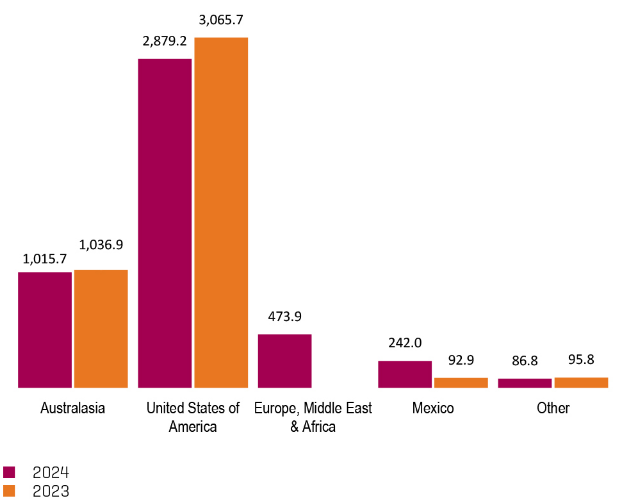
Segment performance is evaluated based on earnings before significant items, interest and related income tax expense (EBIT). This measure excludes the effects of significant items which are typically gains or losses arising from events that are not considered part of the core operations of the business whilst including items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

Interest income and expenditure and other finance costs, other than interest on lease liabilities, are not allocated to the segments, as this type of activity is managed at the Group level. Transfer prices between segments are priced on an 'arms-length' basis, in a manner similar to transactions with third parties, and are eliminated on consolidation.

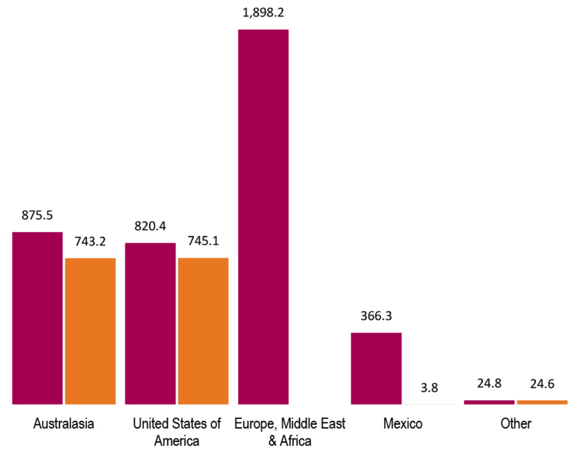
Geographical segments

In presenting information on the basis of geographical location both segment revenue and non-current assets are based on the location of the Orora business.

Revenue
$m



Non-current assets[1]
$m



[1] Non-current assets exclude deferred tax assets and non-current financial instruments.

Revenue by product

$ million	2024	2023
Corrugate and paper-based packaging	**1,482.6**	1,620.8
Beverage packaging	**1,716.3**	1,036.9
Traded packaging products	**1,498.7**	1,633.6
Total sales revenue	**4,697.6**	4,291.3

No single customer, within an operating segment, generates revenue greater than 10% of the Group's total revenues.

Reconciliation of segmental measures

The following segmental measurements reconcile to the financial statements as follows:

Profit before related income tax expense

$ million	2024	2023
Reported segment earnings	**385.0**	310.5
Significant items before related income tax (refer note 1.2)	(40.4)	(26.0)
Unallocated net finance costs	(84.1)	(37.5)
Profit before related income tax expense	**260.5**	247.0

Capital spend on the acquisition of property, plant and equipment and intangibles

$ million	2024	2023
Reported segment capital and growth spend	**256.4**	193.8
Movement in capital creditors	(18.8)	(2.3)
Government grant received included in segment capital spend	4.4	8.0
Movement in prepaid capital items	(1.5)	0.2
Other adjustments	-	(12.0)
Acquisition of property, plant and equipment and intangibles for total operations[1]	**240.5**	187.7

(1) Refer notes 3.5 and 3.7.

Operating free cash flow

$ million	2024	2023
Reported segment operating free cash flow	**341.2**	235.5
Add back capital expenditure and other growth activities included in segment operating free cash flow	99.2	36.4
Add back principal lease repayments on right-of-use leases included in segment operating free cash flow	78.6	55.6
Less operating activities excluded from operating free cash flow:		
Interest received	12.9	1.4
Interest and borrowing costs paid	(89.4)	(38.3)
Income tax paid	(54.9)	(40.3)
Net cash flows from operating activities	**387.6**	250.3

Section 1: Results for the year (continued)

1.1. Segment results (continued)

Working capital

$ million	2024	2023
Reported segment working capital	**734.6**	428.1
Add/(less) amounts included in working capital for management reporting purposes:		
Derivatives	**2.7**	(7.1)
Add/(less) amounts excluded from working capital for management reporting purposes:		
Net capital receivables and payables	**(19.2)**	9.9
Loan receivables and other assets	**1.8**	2.2
Other payables	**(16.3)**	(8.3)
	703.6	424.8
Reconciles to the financial statements as follows:		
Trade and other receivables (note 3.1)	**695.9**	517.4
Inventories (note 3.2)	**905.0**	639.1
Trade and other payables (note 3.3)	**(946.6)**	(758.2)
Current prepayments and other assets (note 3.4)	**49.3**	26.5
	703.6	424.8

1.2. Significant items

Significant items are typically gains or losses arising from events that are not considered part of the core operations of the business.

$ million	2024 Before tax	2024 Tax (expense)/ benefit	2024 Net of tax	2023 Before tax	2023 Tax (expense)/ benefit	2023 Net of tax
Acquisition transaction costs	**(40.4)**	**1.9**	**(38.5)**	-	-	-
Decomissioning costs	**-**	**-**	**-**	(26.0)	7.8	(18.2)
Total significant item expense	**(40.4)**	**1.9**	**(38.5)**	(26.0)	7.8	(18.2)

Acquisition transaction costs

During the period the Group recognised a significant item expense of $40.4 million ($38.5 million after-tax) related to transaction costs incurred in respect of the acquisition of Saverglass. These expenses are presented in 'general and administration' expenses, refer note 6.1 for further details regarding the acquisition.

Decommissioning costs

In the comparative period, following ongoing project review and reassessment of remediation requirements, additional costs associated with the decommissioning of the former Petrie Mill site of $26.0 million ($18.2 million after tax) were recognised. This expense was recognised as a significant item and presented in the income statement within 'general and administration' expenses. At the date of this report, all major on-site works are complete with the remaining activity largely focused on the preparation and submission of the required documentation to the appropriate government departments. The provision at 30 June 2024 (refer note 3.9) represents management's best estimate in respect of the anticipated costs to complete this activity, using all the currently available information and considering applicable legislative and environmental regulations.

1.3. Earnings Per Share (EPS)

Earnings Per Share (EPS) is the amount of post-tax profit attributable to each share.

During the period the Group issued 498,148,149 shares in respect of the equity raising that was undertaken to partially fund the Saverglass acquisition (refer notes 2.4 and 6.1). The issue included an Institutional Placement of 166,637,643 shares and a 1-for-2.55 pro-rata entitlement rights offer to existing shareholders of 331,510,506 shares. The comparative period EPS presented below has been restated to reflect the bonus element of the share issues that were completed in September 2023.

Basic EPS is calculated on the Group profit for the year attributable to ordinary shareholders of the Company of $185.2 million (2023: $184.8 million) divided by the weighted average number of shares on issue during the reporting period, excluding ordinary shares purchased by the Company and held as Treasury Shares, being 1,248.9 million (2023: 915.4 million).

Diluted EPS reflects any commitments made by the Group to issue shares in the future and so it includes the effect of the potential conversion of share options and rights granted to employees. To calculate the impact, it is assumed that all share options and rights are exercised and new shares are issued.

Basic and Diluted EPS, before significant items, is presented below in order to show the business performance of the Group in a consistent manner and reflect how the business is managed and measured on a day-to-day basis. It is also a measure that is considered by the Board in determination of dividend payments.

Calculation of EPS

Calculation of basic and diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

EPS attributable to the ordinary equity holders of Orora Limited

million	2024	2023[1]
Profit for the financial period from continuing operations before significant items	**$223.7**	$203.0
Significant item expense (refer note 1.2)	**($38.5)**	($18.2)
Profit for the financial period	**$185.2**	$184.8
Weighted average number of ordinary shares for basic earnings per share	**1,248.9**	915.4
Dilution due to share options and rights	**7.4**	7.6
Weighted average number of ordinary shares for diluted earnings per share	**1,256.3**	923.0
Earnings per share		
Basic earnings per share[2]	**14.8c**	20.2c
Diluted earnings per share[2]	**14.7c**	20.0c
Basic earnings per share, before significant items	**17.9c**	22.2c
Diluted earnings per share, before significant items	**17.8c**	22.0c

(1) The comparative period earnings per share figures have been restated to reflect the bonus element of the equity raising that was completed in September 2023.

(2) Earnings per share in the current period includes an after-tax significant item expense of $38.5 million relating to transaction costs incurred in respect of the acquisition of Saverglass. Earnings per share in the comparative period includes an after-tax significant item expense of $18.2 million relating to additional expected costs associated with the decommissioning of the former Petrie Mill site. Refer note 1.2 for further details.

Section 1: Results for the year (continued)

1.4. Income

$ million	2024	2023
Revenue from sale of goods	**4,697.6**	4,291.3
Net gain on disposal of property, plant and equipment	**2.0**	-
Sub-lease income	**0.7**	0.9
Other	**6.3**	6.0
Total other income	**9.0**	6.9
External interest income	**12.9**	1.4
Total finance income	**12.9**	1.4

Accounting policies

The Group generates revenue primarily from the sale of packaging materials and products providing customers with an extensive range of tailored packaging and visual communication solutions. Revenue is recognised when control of the goods or services are transferred to the customer and the Group's right to payment arises. Revenue is measured on the consideration to which the Group expects to be entitled to in a contract with a customer.

For certain customers the Group provides retrospective rebates once the quantity of product purchased during the period exceeds a threshold specified in the contract. For contracts that include rebates the amount of revenue recognised is adjusted to the anticipated rebates payable, which is based on the purchase history of the customer.

Standard packaging products

Customers obtain control of standard packaging products when the goods are delivered to the customer. Invoices are generated at that point in time with payment terms varying depending on the customer, ranging from 30 to 90 days. Some contracts allow for volume discounts/rebates.

Made-to-order packaging products

Made-to-order packaging products are usually long-term contracts which contain several elements. In the vast majority of cases these elements represent only one performance obligation to the customer. In some cases, the Group produces these products in advance of delivery. Typically control over these goods remains with the Group until shipment, or when the customer takes physical possession of the goods. For contracts subject to bill-and-hold arrangements, control passes when the customer has contractually accepted the goods which may not be upon physical possession of the products. The right to payment arises only at the point in time when control over the goods is transferred to the customer.

The Group has determined that for made-to-order products the customer obtains control of the products when the goods are delivered to the customer. This represents the point in time when invoices are generated as the right to payment arises. Payment terms vary depending on the customer, ranging from 30 to 90 days. Some contracts allow for volume discounts/rebates.

Bundled packaging solutions

The Group sources and provides packaging equipment/solutions to customers who enter into long-term product supply arrangements. The customer obtains control of the equipment and product when the goods are delivered to the customer. Invoices are generated at that point in time with payment terms varying depending on the customer, ranging from 30 days to 60 days.

1.5. Operating costs

Employee benefit expense

$ million	2024	2023
Wages and salaries	852.0	659.2
Workers compensation and other on-costs	48.5	39.5
Superannuation costs on accumulation funds	15.6	8.8
Other employment benefits expense	3.3	0.1
Share-based payments expense	6.7	5.4
Total employee benefits expense	926.1	713.0

The Group's accounting policy for liabilities associated with employee benefits is contained in note 3.9, whilst the policy for share-based payments is set out in note 7.1.

Depreciation and amortisation

$ million	2024	2023
Depreciation	107.9	62.9
Amortisation of finance leased assets	4.3	-
Amortisation of right-of-use assets	78.6	50.0
Amortisation of intangibles	21.6	10.1
Total depreciation and amortisation	212.4	123.0

Finance expenses

$ million	2024	2023
Interest paid/payable:		
- Finance charges on leased assets	18.5	10.0
- Finance charges on finance leases	0.4	-
- Unwinding of discount	0.1	-
- External interest expense	100.4	44.0
Amount capitalised[1]	(6.2)	(5.7)
Total interest paid/payable	113.2	48.3
Borrowing costs	2.8	0.6
Total finance expenses	116.0	48.9

(1) The capitalisation rate used to determine the amount of borrowing costs capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year which was 6.1% (2023: 5.1%).

Refer to note 3.6 for the Group's accounting policy and details on right-of-use assets and note 2.3 regarding the Group's external borrowings.

Section 2: Capital structure and financing

In this section

This section outlines how the Group manages its capital structure and related financing, including its balance sheet liquidity and access to capital markets.

The Directors determine the appropriate capital structure of the Group, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the Group's activities both now and in the future. Maintaining capital discipline and balance sheet efficiency remains important to the Group, as seen through the refinancing activities undertaken during the year. Any potential courses of action in respect of the Group's structure take into account the Group's liquidity needs, flexibility to invest in the business and impact on credit profile.

In order to optimise the capital structure, the Group may:

- **adjust the amount of ordinary dividends paid to shareholders;**
- **maintain a dividend reinvestment plan;**
- **raise or return capital to shareholders; and**
- **repay or raise debt for working capital and capital expenditure requirements, or to facilitate acquisitions in line with the strategic objectives and operating plans of the Group.**

The Directors consider the Group's capital structure and dividend policy at least twice a year ahead of announcing results and do so in the context of its ability to continue as a going concern, to execute the strategy and to invest in opportunities to grow the business and enhance shareholder value.

2.1. Capital management

Capital is defined as the combination of shareholders' equity, reserves and net debt. The key objective of the Group when managing its capital is to safeguard its ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital and funding structure.

The aim of the Group's capital management framework is to maintain an investment grade credit profile, and the requisite financial metrics, to secure access to a range of funding sources with a spread of maturity dates and sufficient undrawn committed facility capacity. The Group's capital management framework also aims to optimise, over the long term and to the extent practicable, the weighted average cost of capital to reduce the cost of capital to the Group while maintaining financial flexibility.

The Group uses a range of financial metrics to monitor the efficiency of its capital structure, including on-balance sheet gearing and leverage ratios. At 30 June 2024, the Group's gearing and leverage ratios, excluding lease liabilities, were 45.6% (2023: 49.2%) and 2.8 times (2023: 2.0 times), respectively.

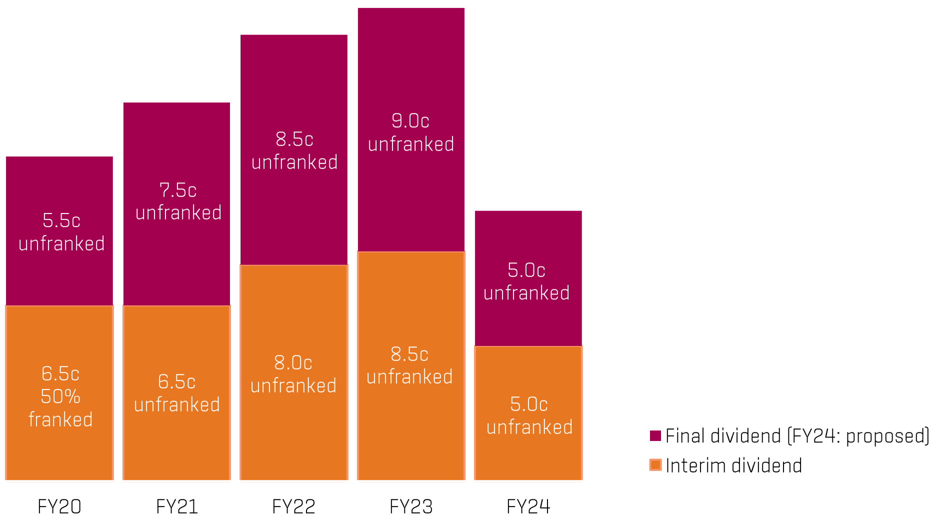
$ million	Note	2024	2023
Financial borrowings			
Total borrowings	2.3	**1,998.4**	832.4
Less: Cash and cash equivalents	2.3	**(274.7)**	(58.4)
Net debt		**1,723.7**	774.0
Lease liabilities	2.3	**419.5**	227.6
Net debt including lease liabilities		**2,143.2**	1,001.6
Equity and reserves			
Contributed equity and treasury shares	2.4.1	**1,279.5**	(38.8)
Reserves	2.4.2	**98.4**	167.5
Retained earnings	2.4.3	**713.8**	671.5
		2,091.7	800.2
Net Capital		**4,234.9**	1,801.8

2.2. Dividends

	2024	2023
Final external dividend Final dividend for 2023 of 9.0 cents per share, unfranked, paid 9 October 2023 (2023: Final dividend for 2022 of 8.5 cents per share, unfranked, paid 10 October 2022)	**76.0**	71.5
Interim external dividend Interim dividend for 2024 of 5.0 cents per share, unfranked, paid 11 April 2024 (2023: Interim dividend for 2023 of 8.5 cents per share, unfranked, paid 21 April 2023)	**66.9**	71.9
	142.9	143.4
Proposed and unrecognised at period end[1] Final dividend for 2024 of 5.0 cents per share, unfranked, payable 8 October 2024 (2023: Final dividend for 2023 of 9.0 cents per share, unfranked, payable 9 October 2023)	**67.2**	75.8

(1) Estimated final dividend payable, subject to variations in the number of shares up to record date.

Shareholder distributions - cents per share (excludes special dividends)



Dividend reinvestment plan

The Group operates a dividend reinvestment plan which allows eligible shareholders to elect to invest dividends in ordinary shares. All holders of Orora Limited ordinary shares with Australian or New Zealand addresses registered with the share registry are eligible to participate in the plan. The allocation price for shares is based on the average of the daily volume weighted average share price of Orora Limited ordinary shares sold on the Australian Securities Exchange, calculated with reference to a period of not less than 10 consecutive trading days as determined by the Directors.

Franking account

Franking credits for shareholders of the Company apply at a corporate tax rate of 30% (2023: 30%). The interim dividend for 2024 was unfranked (2023 Interim: unfranked) and the proposed final dividend for 2024 is unfranked (2023 Final: unfranked). The balance of franking credits available as at 30 June 2024 is nil (2023: nil).

Conduit Foreign Income (CFI) account

For Australian tax purposes, non-resident shareholder dividends will not be subject to Australian withholding tax to the extent that they are franked or sourced from the Company's CFI account. For the 2024 dividends, 100% of the interim dividend and 100% of the final dividend is to be sourced from the CFI account (2023: 100% of the interim and final dividend were sourced from the Company's CFI account). As a result, none of the 2024 dividends paid to a non-resident will be subject to Australian withholding tax. The balance of the conduit foreign income account as at 30 June 2024 is $19.6 million (2023: $73.7 million). The estimated final dividend to be paid on 8 October 2024 of $67.2 million (2023: $76.1 million) will be paid from this balance and the advance receipt of FY25 foreign dividends.

Section 2: Capital structure and financing (continued)

2.3. Net debt

During the year ended 30 June 2024, the Group upsized the existing A$460.0 million Global Syndicated Multicurrency Revolving Facility, that was due to mature in November 2024, to a A$600.0 million and €760.0 million facility to partially fund the acquisition of Saverglass (refer note 6.1) and provide appropriate liquidity for the Group. The refinancing was completed in November 2023.

Refer to note 2.3.2 for details regarding the Groups borrowings held at 30 June 2024.

$ million	2024	2023
Cash on hand and at bank	**262.8**	58.4
Deposits at call	**11.9**	-
Total cash and cash equivalents	**274.7**	58.4
Lease liabilities		
Due within one year	**98.7**	54.2
Due after one year	**320.8**	173.4
Total lease liability	**419.5**	227.6
Borrowings		
Due within one year		
- Other loans[1]	**6.1**	-
- US Private Placement	**-**	150.0
Current borrowings	**6.1**	150.0
Due after one year		
- Other loans[1]	**49.8**	-
- US Private Placement	**214.5**	214.3
- Bank loans	**1,728.0**	468.1
Non-current borrowings	**1,992.3**	682.4
Total borrowings	**1,998.4**	832.4
Total debt	**2,417.9**	1,060.0
Net debt	**2,143.2**	1,001.6

(1) Other loans include employee private bonds of $50.3 million recognised in respect of the Saverglass operations.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand and short-term money market investments with an original maturity of three months or less and are classified as financial assets held at amortised cost. Cash at bank earns interest at floating rates based on daily bank deposits. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The carrying value of cash and cash equivalents is considered to approximate fair value due to the assets' liquid nature.

Bank loans

All loans and borrowings are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are measured at amortised cost using the effective interest rate method.

Interest-bearing liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss.

Interest-bearing liabilities are classified as current liabilities, except for those liabilities where the Group has an unconditional right to defer settlement for at least 12 months after the reporting period, which are classified as non-current liabilities.

The US Private Placement notes have a carrying value of $214.5 million while the fair value of the notes is $209.8 million. For all other borrowings, the fair values are not materially different to their carrying amount since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

2.3.1. Net debt reconciliation

The following table illustrates the cash and non-cash movements of net debt:

	Assets	Liabilities from financing activities				
$ million	Cash and cash equivalents	Lease liabilities	Other loans	US Private Placement	Bank loans	Total
Net debt at 1 July 2022	52.6	(224.5)	-	(351.6)	(330.0)	(853.5)
Cash flows	0.8	65.6	-	-	(137.9)	(71.5)
Change in lease arrangements	-	(50.9)	-	-	-	(50.9)
Unwinding of discounting	-	(10.0)	-	-	-	(10.0)
Other non-cash movements	-	-	-	(0.3)	(0.2)	(0.5)
Effect of movements in foreign exchange rates	5.0	(7.8)	-	(12.4)	-	(15.2)
Net debt at 30 June 2023	**58.4**	**(227.6)**	**-**	**(364.3)**	**(468.1)**	**(1,001.6)**
Business acquisitions	**117.4**	**(166.3)**	**(36.1)**	**-**	**-**	**(85.0)**
Cash flows including borrowing costs	**105.7**	**104.1**	**(21.3)**	**155.4**	**(1,283.1)**	**(939.2)**
Change in lease arrangements	**-**	**(121.4)**	**-**	**-**	**-**	**(121.4)**
Unwinding of discounting	**-**	**(18.5)**	**-**	**-**	**-**	**(18.5)**
Other non-cash movements	**-**	**-**	**-**	**(0.2)**	**(2.6)**	**(2.8)**
Effect of movements in foreign exchange rates	**(6.8)**	**10.2**	**1.5**	**(5.4)**	**25.8**	**25.3**
Net debt at 30 June 2024	**274.7**	**(419.5)**	**(55.9)**	**(214.5)**	**(1,728.0)**	**(2,143.2)**

Section 2: Capital structure and financing (continued)

2.3. Net debt (continued)

2.3.2. Borrowings

The terms and conditions of the Group's external borrowings are as follows:

			Facility currency		Australian dollars		
$ million	Currency	Matures	Size	Drawn	Size	Drawn	Undrawn
2024							
Committed facilities							
Bilateral Revolving Facility	AUD	Apr-25	35.0	-	35.0	**-**	35.0
US Private Placement	USD	Jul-25	143.0	143.0	214.5	**214.5**	-
Bilateral Revolving Facility	AUD	Jan-26	75.0	75.0	75.0	**75.0**	-
USD Syndicated Revolving Facility	USD	Jun-27	100.0	-	150.0	**-**	150.0
Bilateral Revolving Facility	AUD	Jul-27	100.0	100.0	100.0	**100.0**	-
Bilateral Term Facility	USD	Jan-28	100.0	100.0	150.0	**150.0**	-
Global Syndicated Multicurrency Facility[1]							
3.5 year Revolving Tranche							
Tranche A1	AUD	May-27	125.0	80.0	125.0	**80.0**	45.0
Tranche B1	EUR	May-27	130.0	100.0	208.9	**160.7**	48.2
Tranche C1	EUR	May-27	90.0	35.0	144.6	**56.2**	88.4
4 year Revolving Tranche							
Tranche B2	EUR	Nov-27	200.0	200.0	321.4	**321.4**	-
5 year Revolving Tranche							
Tranche A2	AUD	Nov-28	125.0	110.0	125.0	**110.0**	15.0
Tranche B3	EUR	Nov-28	250.0	200.0	401.7	**321.4**	80.3
Tranche C2	EUR	Nov-28	90.0	10.0	144.6	**16.1**	128.5
7 year Term							
Tranche D	AUD	Nov-30	350.0	350.0	350.0	**350.0**	-
Other loans[2]	EUR	Various	34.8	34.8	55.9	**55.9**	-
Total committed facilities					2,601.6	**2,011.2**	590.4
Uncommitted facilities							
Overdrafts[4]	AUD/NZD			-	6.2	**-**	6.2
USD Credit Facility	USD		40.0	-	60.0	**-**	60.0
Loan facility	AUD		20.0	-	20.0	**-**	20.0
Total uncommitted facilities					86.2	**-**	86.2
Total facilities					2,687.8	**2,011.2**	676.6
2023							
Committed facilities							
US Private Placement[3]	USD	Jul-23	100.0	100.0	150.0	150.0	-
Global Syndicated Multicurrency Revolving Facility[1]	AUD	Nov-24	460.0	385.0	460.0	385.0	75.0
Bilateral Revolving Facility	AUD	Apr-25	35.0	35.0	35.0	35.0	-
US Private Placement	USD	Jul-25	143.0	143.0	214.5	214.5	-
Bilateral Revolving Facility	AUD	Jan-26	75.0	40.0	75.0	40.0	35.0
USD Syndicated Revolving Facility	USD	Jun-27	100.0	-	150.0	-	150.0
Bilateral Revolving Facility	AUD	Jul-27	100.0	10.0	100.0	10.0	90.0
Bilateral Term Facility	USD	Jan-28	100.0	-	150.0	-	150.0
Total committed facilities					1,334.5	834.5	500.0
Uncommitted facilities							
Overdrafts[4]	AUD/NZD			-	6.2	-	6.2
USD Credit Facility	USD		40.0	-	60.0	-	60.0
Loan facility	AUD		20.0	-	20.0	-	20.0
Total uncommitted facilities					86.2	-	86.2
Total facilities					1,420.7	834.5	586.2

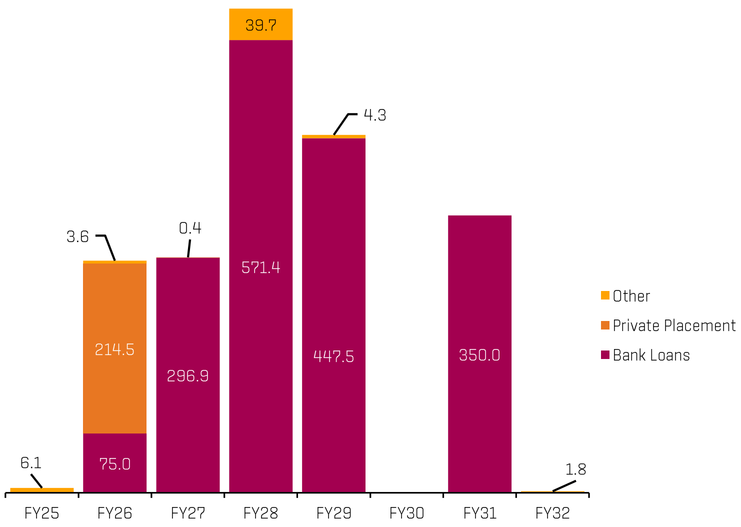
(1) In November 2023 the A$460.0 million Global Syndicated Revolving Facility Agreement, maturing November 2024, was refinanced and increased to a A$600.0 million and €760.0 million (total A$1,831.6 million) facility. The refinanced facility is split into multiple maturity tranches tenors ranging from 3.5 to 7 years.
(2) Other loans comprise several loans with maturities ranging from 7 months to 7.8 years. This balance includes employee private bonds of $50.3 million recognised in respect of the Saverglass operations.
(3) The US100.0 million US Private Placement notes were repaid in July 2023.
(4) Overdraft facilities include a A$3.0 million overdraft and a NZ$3.5 million overdraft (2023: A$3.0 million overdraft and a NZ$3.5 million overdraft).

During both the current and comparative reporting periods Orora Limited has complied with the financial covenants of its borrowing facilities. All the Group's facilities are unsecured.

All bank debt drawings as at 30 June 2024 that were denominated in Australian dollars bore interest at BBSY plus an applicable credit margin. Any bank debt drawings in Euro, US or New Zealand dollars would bear interest at Euribor, Term SOFR or BKBM plus an applicable margin. The Group's US Private Placement notes bore an interest rate based on an applicable fixed rate coupon.

The maturity profile of the Group's external borrowings drawn down, excluding the impact of capitalised borrowing costs, as at 30 June 2024 is illustrated in the following chart:

Maturity profile of drawn debt by facility
$m



Section 2: Capital structure and financing (continued)

2.4. Equity

This section explains material movements in shareholders' equity that are not explained elsewhere in the financial statements. The movements in equity and the balance at 30 June 2024 are presented in the Statement of changes in equity.

During the period the Group issued 498,148,149 shares in respect of the equity raising that was undertaken to partially fund the Saverglass acquisition (refer note 6.1). The issue included an Institutional Placement of 166,637,643 shares and a 1-for-2.55 pro-rata entitlement rights offer to existing shareholders of 331,510,506 shares.

2.4.1. Contributed equity and treasury shares

$ million	2024	2023
Ordinary shares issued and fully paid	1,290.5	-
Share buyback reserve	-	(27.9)
Treasury shares	(11.0)	(10.9)
Total contributed equity and treasury shares	**1,279.5**	(38.8)

Contributed equity

The following table illustrates the movements in the Group's contributed equity and treasury shares.

	Contributed equity		Treasury shares	
	No. '000	$ million	No. '000	$ million
At 1 July 2022	845,352	(26.4)	(3,023)	(10.9)
Acquisition of shares by the Orora Employee Share Trust	-	-	(1,369)	(4.5)
Cancellation of RSU Grant	-	0.3	(84)	(0.3)
Treasury shares used to satisfy issue of RSU Grant	-	(0.1)	7	0.1
Restriction lifted on shares issued under the RSU Grant	-	0.1	-	-
Exercise of vested grants under Employee Share Plans	1,318	2.9	-	-
Treasury shares used to satisfy exercise of vested grants under Employee Share Plans	(1,318)	(4.7)	1,318	4.7
At 30 June 2023	**845,352**	**(27.9)**	**(3,151)**	**(10.9)**
Acquisition of shares by the Orora Employee Share Trust	-	-	(2,771)	(7.1)
Issue of shares under the equity placement	166,638	450.0	-	-
Issue of shares under the entitlement offer	331,510	895.0	-	-
Transaction costs associated with the issue of capital	-	(25.5)	-	-
Treasury shares used to satisfy issue of RSU Grant	-	(0.4)	108	0.4
Restriction lifted on shares issued under the RSU Grant	-	1.1	-	-
Exercise of vested grants under Employee Share Plans	1,850	4.8	-	-
Treasury shares used to satisfy exercise of vested grants under Employee Share Plans	(1,850)	(6.6)	1,850	6.6
At 30 June 2024	**1,343,500**	**1,290.5**	**(3,964)**	**(11.0)**

Refer to note 7.1 for movements in the Group's Employee Share Plans, including the Restricted Share Unit (RSU) grants. Refer to note 6.3 for details of the Orora Employee Share Trust.

Ordinary shares

Ordinary shares are classified as equity. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid, all shares rank equally with regards to the Company's residual assets. Ordinary shares entitle the holder to participate in dividends, as declared from time to time, and are entitled to one vote per share at meetings of the Company. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax benefit effects. Where the Group reacquires its own shares, for example as the result of a share buyback, those shares are cancelled. The consideration paid to acquire those shares, including any directly attributable transaction costs net of income taxes, is recognised directly as a reduction in equity.

Share buyback reserve

In the comparative period the share buyback reserve arose due to share buybacks being undertaken at higher prices that the original subscription price. The balance for ordinary share contributed equity was reduced to nil, and a reserve created to reflect the excess value of share brought over the original amount of the subscribed equity.

Treasury shares

Where the Orora Employee Share Trust purchases equity instruments in the Company that have been identified as treasury shares, the consideration paid, including any directly attributable costs, is deducted from equity, net of any related income tax effects. When the treasury shares are subsequently sold or reissued, any consideration received, net of any directly attributable costs and the related income tax effects, is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in retained earnings. Refer to note 6.3.

2.4.2. Reserves

$ million	2024	2023
Cash flow hedge reserve	**16.5**	8.9
Share-based payment reserve	**13.9**	13.1
Demerger reserve	**132.9**	132.9
Exchange fluctuation reserve	**(64.9)**	12.6
Total reserves	**98.4**	167.5

Details of movements in each of the reserves is presented in the statement of changes in equity.

Accounting policies

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet been realised.

During the 12 months to 30 June 2024 the following movements were recognised in the cash flow hedge reserve:

$ million	2024	2023
Unrealised gains/(losses) on cash flow hedges		
Forward exchange contract (losses)/gains	**(1.0)**	12.3
Forward commodity contract gains/(losses)	**0.6**	(1.2)
Interest rate swap contracts gains	**12.6**	3.2
Power purchase contract gains	**1.5**	5.1
	13.7	19.4
Realised (gains)/losses transferred to profit or loss		
Forward exchange contract gains	**(2.2)**	(12.5)
	(2.2)	(12.5)
Realised (gains)/losses transferred to non-financial assets, net of tax		
Forward exchange contract gains	**(0.5)**	(0.8)
Commodity contract (gains)/losses	**(0.8)**	1.1
	(1.3)	0.3

Refer to note 5.1 for further information on these derivative instruments.

Share-based payment reserve

The share-based payment reserve is used to recognise the fair value of options and rights recognised as an expense. The Company provides benefits to employees of the Group in the form of share-based payments, whereby employees render services in exchange for options or rights over shares. Refer to note 7.1 for further details of the Group's share-based payment plans.

The fair value of options and rights granted is recognised as an employee benefit expense in the income statement with a corresponding increase in the share-based payments reserve in equity and is spread over the vesting period during which the employees become unconditionally entitled to the option or right. Upon exercise of the options or rights, the balance of the share-based payments reserve, relating to the option or right, is transferred to share capital.

Section 2: Capital structure and financing (continued)

2.4.2. Reserves (continued)

Demerger reserve

The demerger reserve represents the difference between the consideration paid by Orora under an internal corporate restructure and the assets and liabilities acquired, which were recognised at their carrying value under a common control transaction.

Exchange fluctuation reserve

For controlled entities with a functional currency that is not Australian dollars, their assets and liabilities are translated at the closing exchange rate at reporting date, while income and expenses are translated at year-to-date average exchange rates.

On consolidation all exchange differences arising from translation are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

In addition, foreign exchange gains or losses are deferred in equity if they relate to qualifying cash flow hedges, qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. When a foreign operation is disposed of, the cumulative amount recognised within the reserve relating to that foreign operation is transferred to the income statement as an adjustment to the profit or loss on disposal.

2.4.3. Retained earnings

Retained earnings comprises profit for the year attributable to owners of the Company and other items recognised directly in equity as presented on the statement of changes in equity.

$ million	2024	2023
Retained earnings at the beginning of the period	**671.5**	630.1
Net profit attributable to the owners of Orora Limited	**185.2**	184.8
	856.7	814.9
Ordinary dividends:		
Final paid (refer note 2.2)	**(76.0)**	(71.5)
Interim paid (refer note 2.2)	**(66.9)**	(71.9)
	(142.9)	(143.4)
Retained earnings at the end of the period	**713.8**	671.5

Section 3: Assets and liabilities

In this section

This section details the assets used to generate the Group's trading performance and the liabilities incurred as a result. On the following pages there are notes covering working capital, other assets, non-current assets and provisions.

Liabilities relating to the Group's financing activities are set out in Section 2, whilst the assets and liabilities recognised in respect of derivative instruments, used to hedge financial risks, are contained in Section 5. Information pertaining to deferred tax assets and liabilities is provided in Section 4.

3.1. Trade and other receivables

$ million	2024	2023
Trade receivables	604.5	457.6
Less loss allowance provision	(24.5)	(7.5)
	580.0	450.1
Other receivables	115.9	67.3
Total current trade and other receivables	695.9	517.4

Accounting policies

Trade receivables and other receivables are all classified as financial assets held at amortised cost.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less a loss allowance provision. The Group, from time to time, may enter into trade financing instruments in respect of trade receivables and as a result the receivable is derecognised as substantially all of the risks and rewards of ownership have been transferred.

The carrying value of trade and other receivables, less impairment provisions, is considered to approximate fair value, due to the short-term nature of the receivables.

Impairment of trade receivables

The collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts which are known to be uncollectable are written off when identified. The Group recognises an impairment provision based upon anticipated lifetime losses of trade receivables. The anticipated losses are determined with reference to historical loss experience and are regularly reviewed and updated.

The amount of the impairment loss is recognised in the income statement within 'general and administration' expense.

Credit risks related to receivables

In assessing an appropriate provision for impairments and anticipated expected credit loss of receivables consideration is given to historical experience of bad debts, the ageing of receivables, knowledge of debtor insolvency or other credit risk and individual account assessment.

Customer credit risk is managed by each business group in accordance with the procedures and controls set out in the Group's credit risk management policy. Credit limits are established for all customers based on external and internal credit rating criteria and letters of credit or other forms of credit insurance cover are obtained where appropriate. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry and existence of previous financial difficulties.

For some trade receivables the Group may also obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. The Group does not otherwise require collateral in respect of trade and other receivables.

Section 3: Assets and liabilities (continued)

3.1. Trade and other receivables (continued)

The following table sets out the ageing of trade receivables, according to their due date:

	Loss allowance provision		Gross carrying amount	
$ million	**2024**	2023	**2024**	2023
Not past due	**1.2**	-	**515.8**	408.6
Past due 0-30 days	**8.3**	0.8	**48.1**	33.8
Past due 31-120 days	**1.6**	1.0	**18.4**	9.4
More than 121 days past due	**13.4**	5.7	**22.2**	5.8
	24.5	7.5	**604.5**	457.6

The Group has recognised a net loss of $6.2 million (2023: $2.5 million) in respect of the trade receivables written off in the financial year. The loss has been included in 'general and administration' expense in the income statement. The loss allowances provision acquired in respect of the Saverglass acquisition was $12.6 million (refer note 6.1).

3.2. Inventories

$ million	**2024**	2023
Raw materials and stores	**356.5**	281.0
Work in progress	**9.8**	8.8
Finished goods	**538.7**	349.3
Total inventory	**905.0**	639.1

Accounting policies

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Costs incurred in bringing each product to its existing location and condition are accounted for as follows:

- Raw materials - purchase cost on a weighted average cost formula;
- Manufactured finished goods and work in progress - cost of direct material and labour and an appropriate proportion of production and variable overheads incurred in the normal course of business.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventory.

During the period the Group recognised a net write-down of $13.5 million (2023: $6.8 million) with regard to the net realisable value of inventories which has been recognised in 'cost of sales' expense in the income statement.

3.3. Trade and other payables

$ million	2024	2023
Current		
Trade creditors	621.2	447.0
Deferred grant income	1.5	1.0
Other creditors and accruals	323.9	310.2
Total current trade and other payables	946.6	758.2
Non-current		
Deferred grant income	14.5	11.7
Other creditors	1.0	1.1
Total non-current other payables	15.5	12.8

Accounting policies

Trade and other payables

Trade and other payables are all classified as financial liabilities held at amortised cost. Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which were unpaid at the end of the financial year and these amounts are unsecured.

The Group has supply chain financing arrangements in place which act as an alternative source of financing for suppliers who have the option to trade their invoices with funding providers in order to receive cash earlier than the invoice due dates. The Group also has supply agreements in place for certain raw material purchases, where there is considerable time lag between the purchase order date and receipt of the raw material, that include supply chain financing characteristics that provide the Group with extended payment terms compared to the related invoice payment due date. Under these arrangements, the funding provider agrees to pay amounts to the participating suppliers in respect of these invoices and receives settlement from the Group at a later date.

The Group has not derecognised the original liabilities to which these arrangements apply because neither a legal release was obtained nor was the original liability substantially modified on entering the arrangement. The arrangements do not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating.

At 30 June 2024, the carrying amount of liabilities included in trade creditors party to these arrangements is $164.0 million (2023: $186.0 million). The cash flows on payment to the funding provider has been recognised in operating cash flows as they represent payments for the purchase of goods and services and continue to be part of the normal operating cycle of the Group.

The carrying value of trade and other payables is considered to approximate fair value due to the short-term nature of the payables. Trade and other payables are included in current liabilities, except for those liabilities where payment is not due within 12 months from reporting date, which are classified as non-current liabilities.

Deferred grant income

Grants from governments are recognised at their fair value when there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. The grants received are in relation to the purchase and construction of items of property, plant and equipment. The grants are recognised as deferred income and are credited to the income statement on a straight-line basis over the expected useful life of the related asset.

3.4. Other assets

$ million	2024	2023
Current		
Contract incentive payments[1]	7.3	7.0
Prepayments and other current assets	49.3	26.5
Total other current assets	56.6	33.5
Non-current		
Contract incentive payments[1]	24.5	27.5
Other non-current assets[2]	130.8	68.0
Total other non-current assets	155.3	95.5

(1) Contract incentives are provided to customers to secure long-term sale agreements and are amortised over the period of the contractual arrangement.
(2) The current period other non-current assets includes an indemnification asset relating to certain pre-existing liabilities acquired in respect of legal actions or other regulatory obligations, including environmental matters, that are indemnified under the Saverglass sale and purchase agreement, refer to notes 3.9 and 6.1.

Section 3: Assets and liabilities (continued)

3.5. Property, plant and equipment

The following note details the physical assets used by the Group to operate the business to generate revenues and profits.

The cost of these assets is the amount initially paid for them with a depreciation charge recognised in the income statement to reflect the wear and tear of the assets as they are used which reduces the value of the assets over time.

$ million	Land	Land improvements	Buildings	Plant and equipment	Finance leased assets	Assets under construction	Total
Cost							
At 1 July 2022	34.4	8.3	246.4	1,286.8	3.9	46.0	1,625.8
Additions for the period	-	-	12.3	63.6	-	106.7	182.6
Disposals during the period	-	-	(0.8)	(21.4)	-	-	(22.2)
Other transfers	-	1.3	4.7	29.6	-	(35.6)	-
Effect of movements in foreign exchange rates	-	-	2.2	14.1	0.1	-	16.4
At 30 June 2023	**34.4**	**9.6**	**264.8**	**1,372.7**	**4.0**	**117.1**	**1,802.6**
Additions for the period	**-**	**0.2**	**4.9**	**95.4**	**-**	**134.7**	**235.2**
Disposals during the period	**-**	**-**	**(8.6)**	**(160.9)**	**-**	**-**	**(169.5)**
Additions through business acquisitions	**80.6**	**130.4**	**159.2**	**422.2**	**71.4**	**-**	**863.8**
Other transfers	**-**	**-**	**31.0**	**37.7**	**-**	**(72.2)**	**(3.5)**
Effect of movements in foreign exchange rates	**(2.2)**	**(8.9)**	**(5.8)**	**(19.6)**	**(1.8)**	**-**	**(38.3)**
At 30 June 2024	**112.8**	**131.3**	**445.5**	**1,747.5**	**73.6**	**179.6**	**2,690.3**
Accumulated depreciation and impairment							
At 1 July 2022	-	(3.0)	(89.3)	(844.4)	(3.9)	-	(940.6)
Depreciation charge	-	(0.2)	(7.5)	(55.2)	-	-	(62.9)
Disposals during the period	-	-	0.5	21.0	-	-	21.5
Impairment loss	-	-	-	(3.3)	-	-	(3.3)
Other transfers	-	-	(0.6)	0.6	-	-	-
Effect of movements in foreign exchange rates	-	-	(1.5)	(9.2)	(0.1)	-	(10.8)
At 30 June 2023	**-**	**(3.2)**	**(98.4)**	**(890.5)**	**(4.0)**	**-**	**(996.1)**
Depreciation charge	**-**	**(0.2)**	**(17.6)**	**(90.1)**	**(4.3)**	**-**	**(112.2)**
Disposals during the period	**-**	**-**	**4.9**	**160.4**	**-**	**-**	**165.3**
Impairment loss	**-**	**-**	**-**	**0.9**	**-**	**-**	**0.9**
Effect of movements in foreign exchange rates	**-**	**-**	**2.7**	**6.0**	**-**	**-**	**8.7**
At 30 June 2024	**-**	**(3.4)**	**(108.4)**	**(813.3)**	**(8.3)**	**-**	**(933.4)**
Net book value							
At 30 June 2023	34.4	6.4	166.4	482.2	-	117.1	806.5
At 30 June 2024	**112.8**	**127.9**	**337.1**	**934.2**	**65.3**	**179.6**	**1,756.9**

At 30 June 2024, no property, plant and equipment was provided as security for any interest-bearing borrowings (2023: nil).

Accounting policies

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item including borrowing costs that are related to the acquisition, construction or production of an asset. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group.

All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation

Excluding freehold land, property, plant and equipment and finance leased assets, which include leases of items of property and plant and equipment, are depreciated at rates based upon the expected useful lives, or in the case of leasehold improvements the lease term, using the straight-line method. Land is not depreciated. Depreciation rates used for each class of assets are as follows:

- Land improvements 3%-5%
- Buildings 2%
- Plant and equipment 5%-30%
- Finance leased property, plant and equipment 3%-30%

Depreciation is calculated by estimating the number of years the Group expects an asset to be used over. At each reporting date depreciation methods, residual values and useful lives are reassessed and adjusted if necessary. In addition, assets subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. If an asset's value falls below its depreciated value an additional one-off impairment charge is made against profit. Refer note 3.8 for further details.

3.6. Leases

As a lessee the Group enters in lease arrangements to operate the business and to generate revenues and profits. This includes the lease of warehouse, office and factory facilities, vehicles and other items of plant and equipment. Details of finance leased assets are contained in note 3.5, whilst the following note provides details regarding leased right-of-use assets along with total lease obligations of the Group.

Other than minor sub-lease arrangements, the Group is not a lessor of assets.

3.6.1. Right-of-use assets

Leases for premises typically run for a period of 10 years with an option to renew the lease after that date. Lease payments for premises are adjusted annually either through a fixed rental increase, typically 3.0% per annum, or are linked to changes in the consumer price index or as a result of a market rent review process.

The leases for items of plant and equipment, which includes vehicles, typically run for periods of three to five years. In the majority of instances when these lease contracts expire, they are replaced by new leases for similar underlying assets.

Section 3: Assets and liabilities (continued)

3.6. Leases (continued)

3.6.1. Right-of-use assets (continued)

$ million	Property	Plant and Equipment	Total
Cost			
At 1 July 2022	258.7	38.9	297.6
Lease additions and modifications	46.0	7.4	53.4
Derecognition of right-of-use assets	(6.6)	(2.5)	(9.1)
Effect of movements in foreign exchange rates	9.5	1.2	10.7
At 30 June 2023	**307.6**	**45.0**	**352.6**
Lease additions and modifications	**109.5**	**16.6**	**126.1**
Additions through business acquisitions	**105.0**	**23.7**	**128.7**
Derecognition of right-of-use assets	**(6.3)**	**(3.9)**	**(10.2)**
Effect of movements in foreign exchange rates	**(9.9)**	**(0.8)**	**(10.7)**
At 30 June 2024	**505.9**	**80.6**	**586.5**
Accumulated amortisation and impairment			
At 1 July 2022	(104.7)	(19.2)	(123.9)
Amortisation charge for the period	(43.2)	(6.8)	(50.0)
Derecognition of right-of-use assets	5.8	1.1	6.9
Effect of movements in foreign exchange rates	(4.2)	(0.7)	(4.9)
At 30 June 2023	**(146.3)**	**(25.6)**	**(171.9)**
Amortisation charge for the period	**(67.0)**	**(11.6)**	**(78.6)**
Derecognition of right-of-use assets	**5.1**	**3.2**	**8.3**
Effect of movements in foreign exchange rates	**1.4**	**0.2**	**1.6**
At 30 June 2024	**(206.8)**	**(33.8)**	**(240.6)**
Net book value			
At 30 June 2023	161.3	19.4	180.7
At 30 June 2024	**299.1**	**46.8**	**345.9**

Accounting policy

Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

3.6.2. Lease liabilities

$ million	2024	2023
Current lease liabilities	**98.7**	54.2
Non-current lease liabilities	**320.8**	173.4
	419.5	227.6

The following table sets out the undiscounted maturity analysis of future lease payments of the Group.

$ million	2024	2023
Within one year	**102.6**	64.2
Between one and five years	**265.1**	169.0
More than five years	**83.9**	25.9
	451.6	259.1
Less sub-lease rental income	**(4.5)**	(5.9)
	447.1	253.2

Accounting policy

Liabilities arising from a lease are initially measured on a present value basis.

Lease liability

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Payments associated with short-term leases of equipment and vehicles and all low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease term

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not the respective lessor.

Section 3: Assets and liabilities (continued)

3.6. Leases (continued)

3.6.2. Lease liabilities (continued)

Judgements and estimates

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties and equipment, the following factors are normally the most relevant:

- if there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate)
- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate)
- otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

3.6.3. Amounts recognised in the income statement

The following amounts were recognised in the income statement:

$ million	2024	2023
Amortisation of right-of-use assets	**78.6**	50.0
Amortisation of finance leases	**4.3**	-
Expenses relating to short-term leases	**33.9**	18.5
Expenses relating to low-value assets	**1.5**	1.0
Income from sub-leasing right-of-use assets	**(0.7)**	(0.6)
Interest on lease liabilities	**18.9**	10.0

3.7. Intangible assets

The following note details the non-physical assets used by the Group to generate revenue and profits.

These assets include computer software and licences, brand name, patents, customer relationships and goodwill. The cost of these assets is the amount that the Group has paid or, where there has been a business combination, the fair value of the specific intangible assets identified.

In the case of goodwill, its cost is the amount the Group has paid for acquiring a business over and above the fair value of the individual assets and liabilities acquired. The value of goodwill is 'intangible' value that comes from, for example, a skilled and knowledgeable assembled workforce, proprietary technologies and processes and uniquely strong market positions and synergies available with the integration of the acquired business into the Group.

	Other intangible			Indefinite life intangible		
$ million	Computer software	Customer relationships	Other	Brand name	Goodwill	Total
Cost						
At 1 July 2022	136.8	18.8	10.0	-	468.7	634.3
Additions for the period	5.1	-	-	-	-	5.1
Disposals during the period	(2.3)	-	(0.7)	-	-	(3.0)
Effect of movements in foreign exchange rates	3.4	0.7	0.3	-	15.2	19.6
At 30 June 2023	**143.0**	**19.5**	**9.6**	**-**	**483.9**	**656.0**
Additions for the period	**1.2**	**-**	**4.1**	**-**	**-**	**5.3**
Additions through business acquisitions	**-**	**237.9**	**13.7**	**423.6**	**664.1**	**1,339.3**
Disposals during the period	**(1.3)**	**-**	**-**	**-**	**-**	**(1.3)**
Other transfers	**3.5**	**-**	**-**	**-**	**-**	**3.5**
Effect of movements in foreign exchange rates	**-**	**(5.9)**	**(1.7)**	**(10.6)**	**(17.5)**	**(35.7)**
At 30 June 2024	**146.4**	**251.5**	**25.7**	**413.0**	**1,130.5**	**1,967.1**
Accumulated amortisation and impairment						
At 1 July 2022	(90.2)	(15.9)	(7.7)	-	(87.3)	(201.1)
Amortisation charge	(9.4)	(0.7)	-	-	-	(10.1)
Disposals during the period	0.7	-	0.7	-	-	1.4
Effect of movements in foreign exchange rates	(2.3)	(0.6)	(0.2)	-	(3.0)	(6.1)
At 30 June 2023	**(101.2)**	**(17.2)**	**(7.2)**	**-**	**(90.3)**	**(215.9)**
Amortisation charge	**(10.1)**	**(7.6)**	**(3.9)**	**-**	**-**	**(21.6)**
Disposals during the period	**1.1**	**-**	**-**	**-**	**-**	**1.1**
Effect of movements in foreign exchange rates	**0.2**	**0.2**	**1.2**	**-**	**-**	**1.6**
At 30 June 2024	**(110.0)**	**(24.6)**	**(9.9)**	**-**	**(90.3)**	**(234.8)**
Net book value						
At 30 June 2023	41.8	2.3	2.4	-	393.6	440.1
At 30 June 2024	**36.4**	**226.9**	**15.8**	**413.0**	**1,040.2**	**1,732.3**

Accounting policies

Other intangible assets

Other intangible assets include computer software and software licences, customer relationships and patents. The cost of these assets is the amount that the Group has paid or, where there has been a business combination, their fair value at the date of acquisition.

Internal spend on computer software is only capitalised within the development phase, when the asset is separate, and it is probable that future economic benefits attributable to the asset will flow to the Group. Costs incurred in the customisation and configuration in the implementation of Software-as-a-Service arrangements are only capitalised when a unique customised software product controlled by the Group is identified.

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Section 3: Assets and liabilities (continued)

3.7. Intangible assets (continued)

Following initial recognition, other intangible assets are carried at cost less amortisation and any impairment losses.

Other intangible assets, excluding brand name which is an indefinite life intangible asset and therefore not amortised, are amortised on a straight-line basis over their useful life. The amortisation period and method is reviewed each financial year. All intangible assets are tested for impairment whenever there is an indication that they may be impaired. Indefinite life intangible assets are tested for impairment annually. Refer to note 3.8 for further details on impairment.

The amortisation periods for each class of intangible asset are as follows:

- Computer software and licences - between three to 10 years
- Patents - 5 years
- Customer relationships - period of up to 20 years

Indefinite life intangible assets

The indefinite life intangible assets include brand name and goodwill and have arisen as a result of business combinations. The brand name represents the future economic benefits that arise from the use of the Saverglass trademark and associated intellectual property. Goodwill represents the future economic benefits that arise from assets that are not capable of being individually identified and separately recognised. Goodwill is initially measured as the amount the Group has paid in acquiring a business over and above the fair value of the individual assets and liabilities acquired.

These assets are not amortised but instead tested annually for impairment, or frequently if events or changes in circumstances indicate that the assets may be impaired and are carried at cost less an accumulated impairment losses.

Where there has been a change in the Group's circumstances, such as technological changes or a decline in business performance, a review of the value of the intangible assets is undertaken to ensure the asset's value has not fallen below its carrying value. Should an asset's value fall below its amortised value an additional impairment charge is made against profit and the carrying value of the asset. Refer note 3.8.

3.8. Impairment of non-financial assets

Testing for impairment

The Group tests property, plant and equipment, intangibles and goodwill for impairment:

- where there is an indication that an asset may be impaired (assessed at a minimum at each reporting date);
- where there is an indication that previously recognised impairments (on assets other than goodwill) have changed; and
- at least annually for goodwill and brand names.

In testing for impairment, the recoverable amount is estimated for an individual asset or, if it is not possible to estimate the recoverable amount for the individual asset, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent from the cash flows of other assets or groups of assets. Each CGU is no larger than an operating segment.

Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal or value in use.

An impairment loss is recognised in the income statement if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs).

Impairment calculations

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the risks specific to the asset or CGU and the market's current assessment of the time value of money.

Value-in-use is assessed using cash flow projections for five years using data from the Group's latest internal forecasts, budget and strategic planning processes and is management's best estimate of income, expenses, capital expenditure and cash flows for each CGU at the date the testing is performed. Changes in selling prices and direct costs are based on past experience and management's expectation of future changes in the markets in which the Group operates.

The Group's current strategy to manage climate-related risks and opportunities is focused on reducing gross greenhouse gas emissions across the Group and investing in low emission technologies and renewable energy sources, as well as maximising the recycled content of our products to ensure they can be continually recycled to minimise waste and pollution and to reduce greenhouse gas emissions. The cash flow projections included in the value-in-use computations include known estimates of approved cash flows required to meet the Group's identified objectives and initiatives to manage climate-related risks and opportunities. This includes consideration of compliance with local climate regulations across the globe. Orora will continue to develop reporting plans and quantitative analysis around the Group's climate change strategy, the financial implications of which will be considered and built into future cash flow assumptions used within the value-in-use modelling.

The cash flows beyond the five-year period of management's estimate used in the value-in-use computation are extrapolated using estimated growth rates which are determined with regards to the long-term performance of each CGU in their respective markets; these are not expected to exceed the long-term average growth rates for the industry in which each CGU operates.

The discount rate used in performing the value-in-use calculations reflects the Group's weighted average cost of capital, as adjusted for specific risks relating to each geographical region in which the CGUs operate.

Goodwill and brand name impairment tests

For the purpose of impairment testing, goodwill is allocated to CGUs or groups of CGUs according to the level at which management monitors goodwill. Goodwill and brand name intangible assets are tested annually or more regularly if there are indicators of impairment.

The recoverable amounts of the CGUs are based on the present value of the future cash flows expected to be derived from the CGU (value in-use calculation). Value-in-use is calculated in accordance with Group policy using cash flow projections for five years using data from the Group's latest internal forecasts, budget and strategic planning processes. The key assumptions for the value-in-use calculations are those regarding the expected changes in earnings during the initial five-year period (EBITDA margin), discount rates and growth rates applied to the extrapolated periods of the calculation.

On 1 December 2023, the Group completed the acquisition of Saverglass. The provisional purchase price accounting has identified indefinite life intangible asset of €257.0 million ($423.6 million) relating to brand name and goodwill of €402.9 million ($664.1 million), refer note 6.1. During the period the Group commenced the integration of the acquired Saverglass business into the existing Group, which required a major restructure of the existing Australasia Beverage business and the operating segments of the Group were redefined as a global Orora Beverage and global Orora Packaging Solutions segments. The integration of Saverglass triggered a reassessment and ultimately a change in the composition of the Group's CGUs for impairment testing which are now represented by a global Cans CGU, global Glass CGU, with no change to the existing North America CGU now referred to as the Orora Packaging Solutions CGU.

Immediately prior to the identification of the newly defined global Cans and global Glass CGU's impairment assessments were undertaken to separately assess the carrying value of the Australasia CGU and Saverglass business prior to the change in the CGU composition. These impairment assessments were performed using a value-in-use calculation in accordance with the Group's recoverable amount assessment policy, no impairment was identified for either CGU.

The following table presents a summary of the goodwill and indefinite life intangible asset allocation and the key assumptions used in determining the recoverable amount of each CGU:

	Indefinite life asset ($million)		Weighted Average Assumption	
	Brand Name	Goodwill	Pre-tax discount rate	Terminal growth rate
2024				
Orora Cans CGU	-	21.2	11.6%	2.0%
Orora Glass CGU	413.0	658.5	10.6%	2.0%
Orora Packaging Solutions CGU	-	360.5	12.0%	2.0%
2023				
Australasia CGU	-	32.4	11.1%	1.3%
North America CGU	-	361.2	11.3%	1.0%

Reasonable possible change in assumption

Determining recoverable amount requires the exercise of significant judgement which takes into account both internal and external factors. The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the Group CGUs to which goodwill is allocated. Based on current economic conditions and performance of each of the Group's CGUs a reasonable possible change in any of the key assumptions would not cause the carrying value of the Orora Cans CGU or the Orora Packaging Solutions CGU to exceed its recoverable amount, using the value-in-use methodology.

Section 3: Assets and liabilities (continued)

3.8. Impairment of non-financial assets (continued)

Orora Glass CGU

The acquisition of Saverglass enhances the strategic advantage, scale and diversification of Orora's beverage business. It also provides future growth opportunities for Orora in the global glass beverage packaging market and unlocks significant value creation opportunities as the business integrates with Orora's existing glass business. Whilst the Orora Glass CGU is not impaired as at 30 June 2024, given the recent acquisition of Saverglass during the period combined with rapidly changing market conditions and inflationary pressures, means the headroom of the CGU's estimated recoverable amount over carrying value is minimal. As a result, the value-in-use model will be sensitive to changes in key assumptions. If any of the following changes occur, assuming all other variables are held constant, the headroom of this CGU would reduce to nil.

- if the pre-tax discount rate applied to the cash flow projections had been 43 basis points higher than management's estimate (11.0% instead of 10.6%); or
- if the forecast EBITDA margin was 68 basis points lower each forecast year compared to management's estimate; or
- if the terminal growth rate was 60 basis points lower than management's estimate (1.4% instead of 2.0%).

Reversal of impairment

Where there is an indication that previously recognised impairment losses may no longer exist or may have decreased, the asset is tested for impairment. The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset and is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. Impairments recognised for goodwill are not reversed.

Judgements and estimates

The determination of impairment involves the use of judgements and estimates that include, but are not limited to, the cause, timing and measurement of the impairment. Management is required to make significant judgements concerning the identification of impairment indicators, such as changes in competitive positions, expectations of growth, increased cost of capital, and other factors that may indicate impairment, such as a business restructuring.

Management is also required to make significant estimates regarding future cash flows and the determination of fair values when assessing the recoverable amount of assets (or groups of assets). Inputs into these valuations require assumptions and estimates to be made about forecast earnings and related future cash flows including the impact of climate-related risks, growth rates, applicable discount rates, useful lives and residual values.

The judgements, estimates and assumptions used in assessing impairment are management's best estimates based on current and forecast market conditions. Changes in economic and operating conditions impacting these assumptions could result in changes in the recognition of impairment charges in future periods.

3.9. Provisions

$ million	Employee entitlements	Asset restoration, restructuring and decommissioning	Other claims and provisions	Total
2024				
Opening balance	**32.1**	**60.0**	**23.7**	**115.8**
Additions through business acquisitions[1]	**126.1**	**41.2**	**69.1**	**236.4**
Provisions made during the period	**41.0**	**20.2**	**0.8**	**62.0**
Payments made during the period	**(89.4)**	**(49.8)**	**(3.4)**	**(142.6)**
Released during the period	**(0.7)**	**(2.6)**	**(19.8)**	**(23.1)**
Unwinding of discount	**-**	**0.1**	**-**	**0.1**
Other transfers	**-**	**(0.7)**	**0.7**	**-**
Effect of movement in foreign exchange rate	**(1.9)**	**(0.9)**	**(1.3)**	**(4.1)**
Closing balance	**107.2**	**67.5**	**69.8**	**244.5**
Current	**87.3**	**31.0**	**13.4**	**131.7**
Non-current	**19.9**	**36.5**	**56.4**	**112.8**
2023				
Opening balance	30.1	60.2	11.3	101.6
Provisions made during the period[2]	17.0	33.6	14.7	65.3
Payments made during the period	(14.5)	(32.6)	(2.5)	(49.6)
Released during the period	(0.8)	(1.8)	-	(2.6)
Effect of movement in foreign exchange rate	0.3	0.6	0.2	1.1
Closing balance	32.1	60.0	23.7	115.8
Current	30.1	48.6	23.7	102.4
Non-current	2.0	11.4	-	13.4

(1) Certain amounts recognised on acquisition relate to potential losses or damages arising from legal actions or other regulatory obligations, including environmental matters, are mitigated by a limited indemnity under the Saverglass sale and purchase agreement, refer notes 3.4 and 6.1.

(2) In the comparative period a significant item expense of $26.0 million was recognised in respect of additional expected costs associated with the decommissioning of the Petrie Mill site. Refer to note 1.2 for further details of the significant item.

Accounting policies

A provision is recognised when: the Group has a present legal or constructive obligation arising from a past event; it is probable that cash will be paid to settle it; and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the income statement.

Employee entitlements

The provision for employee entitlements represents the obligation for annual leave, long service leave entitlements, end-of-career benefit obligations and incentives accrued for employee for profit-sharing and bonus plans.

Liabilities for employee benefits such as wages, salaries and other current employee entitlements represent present obligations arising from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates, including related on-costs, such as workers compensation insurance and payroll tax, and are presented in other payables.

The liability for annual leave and long service leave is measured as the present value of estimated future cash outflows to be made in respect of services provided by the employee up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments that are not expected to be settled within 12 months are discounted using market yields at the reporting date of high-quality corporate bonds. The rates used reflect the terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The liability for end-of-career benefit depends on the likelihood of the employee reaching retirement age whilst still employed and their salary at date of retirement. The liability is measured using an actuarial valuation with all gains and losses recognised in the income statement.

Section 3: Assets and liabilities (continued)

3.9. Provisions (continued)

Other claims and provisions

Other claims and provisions include amounts relating to potential losses or damages arising from legal actions, regulatory compliance or other obligations that arise from incidents or events that have occurred prior to reporting date, including tax regulatory matters. The amounts recognised represent the value of the total estimated outflows of cash that may be required to settle the obligation. Certain amounts recognised on the acquisition of Saverglass relate to pre-existing legal and regulatory compliance matters of which a portion are indemnified under the sale and purchase agreement.

Asset restoration, restructuring and decommissioning

Asset restoration and decommissioning

Where the Group has a legal or constructive obligation to restore a site on which an asset is located, either through make-good provisions included in lease agreements or decommissioning of environmental risks, the present value of the estimated costs of dismantling and removing the asset and restoring the site is recognised as a provision with a corresponding increase in the related item of property, plant and equipment. Certain amounts recognised on the acquisition of Saverglass relate to pre-existing regulatory environmental compliance matters of which a portion are indemnified under the sale and purchase agreement.

At each reporting date, the liability is remeasured in line with changes in discount rates, estimated cash flows and the timing of those cash flows. Any changes in the liability are added to or deducted from the related asset, other than the unwinding of the discount, which is recognised as a financing cost in the income statement. If there is no related asset in respect of the restoration or decommissioning activity, changes in the liability are recognised in the income statement.

The asset restoration provision includes amounts that have been recognised in respect of certain environmental contamination indemnities provided under the Australian Fibre sale and purchase agreement. The indemnity relates to certain pre-existing contamination that may exist at the Australasian Fibre sites as at 30 April 2020, where after this date the contamination is either a) required to be remediated by a regulatory agency, or b) the site is subject to regulatory enforcement action that is directly related to pre-existing contamination.

Restructuring

A provision for restructuring is recognised when the Group has a detailed formal restructuring plan and the restructuring has either commenced or has been publicly announced, including discussions with affected personnel. Future operating costs in relation to the restructuring are not provided for. Payments falling due greater than 12 months after reporting date are discounted to present value.

Judgements and estimates

A provision is recognised by the Group where an obligation exists relating to a past event, it is probable that a cash payment will be required to settle it, and the Group is not certain how much cash will be required to settle the liability. The value of that provision is based upon estimates and assumptions with regards to the amount and timing of cash flows required to settle the obligation, which are dependent on future events. The key assumptions applicable to the determination of the provisions are as follows:

Employee entitlements

The provision for employee entitlements is based on a number of management estimates, which include:

- future increase in salaries, wages and on-cost rates;
- future probability of employee departures;
- future probability of years of service (long service leave provision); and
- future probability of reaching retirement age (end-of-career benefit).

Asset restoration and decommissioning

Asset restoration and decommissioning provisions require assessments to be made of lease make-good conditions and decommissioning and environmental risks. The provisions require estimates to be made of costs to dismantle and remove equipment and to restore the site to the condition required under the terms of the lease or contract and as required by environmental laws and regulations.

The recognition and measurement of asset restoration and decommissioning provisions is a complex area and requires significant judgement and estimates. The measurement of the provision can vary as a result of many factors, including, but not limited to:

- changes in the relevant legal or local/national government requirements and any other commitments made to stakeholders;
- review of remediation and restoration options;
- identification of additional remediation requirements identified during the restorative process; and
- the emergence of new restoration techniques.

In determining an appropriate provision management gives consideration to the results of the most recently completed surveying data in respect of the remediation process, current cost estimates and appropriate inclusion of contingency in cost estimates to allow for both known and unknown residual risks.

Estimates can be impacted by the emergence of new restoration techniques and experience at other operations. This is compounded by the fact that there has been limited restoration activity and historical precedent within the Group against which to benchmark estimates of the costs to remediate.

The decommissioning of the Petrie site is a significant and complex exercise involving multiple government agencies. At the date of this report, all major on-site works are complete with the remaining activity largely focused on the preparation and submission of the required documentation to the appropriate government departments. The provision at 30 June 2024 represents management's best estimate in respect of the anticipated costs to complete the above activity, using all currently available information and considering applicable legislative and environmental regulations.

All the uncertainties discussed above may result in future actual expenditure differing from the amounts currently provided for in the balance sheet.

Restructuring

Restructuring provisions require assessments to be made regarding the timing of recognition, specifically are plans sufficiently detailed, approved and communicated to support recognition at a point in time. The provisions also require estimates to be made of the cost of restructuring and the timing of these cash outflows.

The judgements, estimates and assumptions used in the recognition of all provisions are evaluated on an ongoing basis and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances and are management's best estimates based on currently available information, legislation and environmental laws and regulations. The actual result may differ from these accounting estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Section 4: Income tax

In this section

This section sets out the Group's tax accounting policies, the current and deferred tax charges or credits in the year (which together make up the total tax charge or credit in the income statement), a reconciliation of profit before tax to the tax charge for the period and the movements in the deferred tax assets and liabilities.

4.1. Income tax expense

The total taxation charge in the income statement for continuing operations is analysed as follows:

$ million	2024	2023
Current tax expense		
Current period	(48.5)	(40.8)
Adjustments relating to prior periods	1.7	0.5
Total current tax expense	(46.8)	(40.3)
Deferred tax expense		
Origination and reversal of temporary differences	(28.5)	(21.9)
Total income tax expense	(75.3)	(62.2)
Deferred income tax expense included in income tax expense comprises:		
Increase/(decrease) in deferred tax assets	(30.1)	20.9
Increase in deferred tax liabilities	1.6	(42.8)
Deferred income tax expense included in total income tax expense	(28.5)	(21.9)

The following table provides a numerical reconciliation of income tax expense for continuing operations to prima facie tax payable:

$ million	2024	2023
Profit before related income tax (expense)/benefit	260.5	247.0
Tax at the Australian tax rate of 30% (2023: 30%)	(78.2)	(74.1)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Net tax effect of amounts which are non-deductible/non-assessable for tax	(7.5)	3.6
Net tax credits and tax loss utilisation	0.5	0.6
Over provision in prior period	1.7	1.6
Foreign tax rate differential	8.2	6.1
Total income tax expense	(75.3)	(62.2)

4.2. Deferred tax balances

Deferred income tax in the income statement relates to the following:

$ million	2024	2023
Property, plant and equipment	3.0	37.5
Right-of-use assets	14.5	1.8
Trade receivable loss allowance provision	0.4	(0.2)
Intangible assets	3.3	5.8
Valuation of inventories	2.9	(3.3)
Lease liability	(15.0)	(0.8)
Employee benefits	3.0	0.1
Provisions	8.3	1.9
Financial instruments at fair value	(0.2)	(0.2)
Tax losses carried forward	10.6	(20.0)
Accruals and other items	(2.3)	(0.7)
Deferred tax expense	28.5	21.9

Deferred income tax in the balance sheet relates to the following:

$ million	2024	2023
Deferred tax assets		
Trade receivable loss allowance provision	**3.8**	1.9
Valuation of inventories	**24.9**	23.8
Lease liabilities	**105.4**	61.9
Employee benefits	**41.1**	38.7
Provisions	**16.2**	13.2
Tax losses carried forward	**11.9**	20.2
Accruals and other items	**7.6**	-
	210.9	159.7
Tax set-off	**(167.5)**	(147.6)
Deferred tax asset	**43.4**	12.1
Deferred tax liabilities		
Property, plant and equipment	**124.0**	105.8
Right-of-use assets	**91.3**	48.3
Intangible assets	**186.5**	20.1
Financial instruments at fair value	**5.8**	3.7
Accruals and other items	**-**	2.8
	407.6	180.7
Tax set-off	**(167.5)**	(147.6)
Deferred tax liability	**240.1**	33.1

Accounting policies

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised directly in equity or in other comprehensive income respectively.

Current tax

Current tax is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Current tax is also adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and by the availability of unused tax losses.

Current tax assets and liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised using the balance sheet method in which temporary differences are calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- taxable temporary differences arising on the initial recognition of goodwill;
- taxable differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied when the temporary difference reverses, that is, when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets that have been recognised in respect of tax losses can be carried forward indefinitely and have no expiry date.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Section 4: Income tax (continued)

4.2. Deferred tax balances (continued)

Unrecognised deferred tax assets and liabilities

Deferred tax liabilities have not been recognised in respect of temporary differences arising as a result of the translation of the financial statements of the Group investments in subsidiaries. The deferred tax liability will only arise in the event of disposal of the subsidiary, and no such disposal is expected in the foreseeable future.

Unremitted earnings of the Group's international operations are considered to be reinvested indefinitely and relate to the ongoing operations. Upon distribution of any earnings in the form of dividends or otherwise, the Group may be subject to withholding taxes payable to various foreign countries; however, such amounts are not considered to be significant. As the Group controls when the deferred tax liability will be incurred and is satisfied that it will not be incurred in the foreseeable future, the deferred tax liability has not been recognised.

Pillar Two top-up tax

In October 2021, over 135 jurisdictions agreed to update the international tax system based on the Organisation for Economic Co-operation and Development (OECD) Global Anti-Base Erosion (GloBE) tax rules. Under the OECD Pillar Two rules, multinational groups with consolidated revenue over €750.0 million are subject to a minimum Effective Tax Rate (ETR) of 15% on income arising in low-tax jurisdictions.

Orora operates across a number of jurisdictions where the OECD Pillar Two rules are in varying stages of development and enactment: ranging from no announcement regarding enactment through to draft or proposed laws. On 4 July 2024, the Australian Government introduced legislation into Parliament to implement Australia's adoption of the OECD/G20 Pillar Two solution, including a 15% global minimum tax and domestic minimum tax (DMT) following public consultation of exposure drafts in March 2024. The draft legislation currently has an effective implementation date for income years commencing on or after 1 January 2024.

Based on a preliminary analysis of Orora's tax profile undertaken at 30 June 2024:

- the Group should be eligible to elect to apply OECD transitional safe harbour rules, and subsequently would not be subject to any Pillar Two top-up taxes in the FY24 income year; and
- the Group only operates in two jurisdictions which impose a statutory corporate rate of less than 15% (i.e. the United Arab Emirates and Hungary which both apply a tax rate of 9%). Taxable profits currently attributable to these jurisdictions were immaterial for the Group.

The Group intends to undertake a comprehensive analysis of its BEPs Pillar Two compliance obligations once the Australian Government's legislation is subsequently enacted.

Judgements and estimates

The Group is subject to income taxes in Australia and foreign jurisdictions and as a result the calculation of the Group's tax charge involves a degree of estimation and judgement in respect of certain items, including assumptions made in respect of the application of tax legislation. Uncertainty and changes to tax regimes can materialise in any country in which we operate. There are many transactions and calculations relating to the ordinary course of business for which the ultimate tax determination is uncertain.

The Group recognises liabilities for uncertain tax positions based on management's best estimate of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, these differences impact the current and deferred tax provisions in the period in which such determinations are made.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment. The assumptions regarding the future realisation, and therefore the recognition, of deferred tax assets, may change due to future operating performance and other factors.

The assumptions made in respect of the recognised tax balances are subject to risk and uncertainty and there is a possibility that changes in circumstances or differences in opinion will alter outcomes which may impact the amount of deferred tax assets and deferred tax liabilities recognised and the amount of tax losses and timing differences not yet recognised.

Section 5: Financial risk management

In this section

The following section outlines how the Group manages the financial risks it is exposed to associated with holding financial instruments that arise from the Group's need to access financing (bank loans and overdrafts and unsecured notes), from the Group's operational activities (cash, trade receivables and payables) and instruments held as part of the Group's risk management activities (derivative financial instruments).

5.1. Derivative financial instruments

Hedging activities and the use of derivatives

What is a derivative?

A derivative is a type of financial instrument typically used to manage risk. A derivative's value changes over time in response to underlying variables, such as exchange rates or interest rates, and is entered into for a fixed period of time. A hedge is where a derivative is used to manage exposure in an underlying variable.

The Group is exposed to certain market risks which include foreign exchange risk, interest rate risk and commodity price risk. In accordance with Board approved policies the Group manages these risks by using derivative financial instruments to hedge the underlying exposures.

Why do we need them?

The key market risks facing the Group:

- Foreign currency transaction risk is the risk that currency fluctuations will have a negative effect on the value of the Group's future cash flows due to changes in foreign currency between the date a commercial transaction is entered into and the date at which the transaction is settled.
- Interest rate risk arises from fluctuations in variable market interest rates impacting the fair value or future cash flows on long-term borrowings.
- Commodity price risk arises from significant changes in the price of electricity and key raw material inputs, in particular the purchase of aluminium.

How do we use them?

The Group employs the following derivative financial instruments when managing its foreign currency, interest rate and commodity price risk:

- Forward exchange contracts and options are derivative instruments used to hedge transaction risk. They enable the sale or purchase of foreign currency at a known fixed rate on an agreed future date. The Group holds forward exchange contracts and options denominated in US Dollars, Euros, British Pounds and NZ Dollars to hedge highly probable forecast sale and purchase transactions (cash flow hedges).
- Interest rate swaps are derivative instruments used to manage interest rate risk. They enable the exchange of a fixed rate of interest for a floating rate, or vice versa, or one type of floating rate for another. These derivatives are entered into to manage the Group's exposure to fixed and floating interest rates arising from borrowings. These hedges may incorporate cash flow hedges, which fix future interest payments, and fair value hedges, which reduce the Group's exposure to changes in the value of its assets and liabilities arising from interest rate movements.
- Power Purchase Arrangements (PPAs) are derivative instruments that are used to hedge transaction risk associated with the variability of wholesale electricity prices in Australia. These forward commodity contracts exchange a variable wholesale price of electricity for a fixed electricity price.
- To manage commodity price risk associated with aluminium purchases the Group uses forward commodity contracts and fixed price swaps to hedge price risk and enable the purchase of aluminium raw materials at a known fixed rate on an agreed future date (cash flow hedge). Where contracted, the Group passes on the price risk of commodities contractually through to customers, including any benefits and costs relating to swaps upon their maturity (fair value hedge).

Derivative financial instruments are only undertaken if they relate to underlying exposures; the Group does not use derivatives to speculate.

Analysis of the derivatives used by the Group to hedge its exposure and the various methods used to calculate their respective fair values are detailed in this section.

Accounting policies

Derivative financial instruments are recognised initially at fair value on the date the instrument is entered into and are subsequently remeasured at fair value or 'marked to market' at each reporting date. The gain or loss on remeasurement is recognised immediately in the income statement unless the derivative is designated as a cash flow hedging instrument in which case the remeasurement is recognised in equity.

Section 5: Financial risk management (continued)

5.1. Derivative financial instruments (continued)

Hedge accounting

At the inception of the hedge relationship, the Group formally designates the relationship between hedging instruments and hedged items, as well as its risk management objective for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items. Where option contracts are used to hedge forecast transactions, only the intrinsic value of the option contract is designated as the hedging instrument.

Rebalancing

If the hedging ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

For the purposes of hedge accounting, hedges are classified as fair value hedges, cash flow hedges or net investment hedges and are accounted for as set out in the table below.

	Fair value hedge	Cash flow hedge	Net investment hedge
What is it?	A derivative or financial instrument designated as hedging the change in fair value of a recognised asset or liability or firm commitment.	A derivative or financial instrument hedging the exposure to variability in cash flow attributable to a particular risk associated with an asset, liability or forecasted transaction.	Financial instruments hedging changes in foreign currency when the net assets of a foreign operation are translated from their functional currency into Australian dollars.
Movement in fair value	Changes in the fair value of the derivative are recognised in the income statement, together with the changes in fair value of the hedged asset or liability attributable to the hedged risk.	The effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in equity in the hedging reserve. The change in the fair value that is identified as ineffective is recognised immediately in the income statement within 'other income' or 'general and administration expenses'. Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset. Where options are used, changes in the fair value of the option are recognised in other comprehensive income depending on whether it is designated as the hedging instrument in its entirety, or its intrinsic value only. If only the intrinsic value is designated, the option's time value that matches the terms of the hedged item is be recognised in equity and released to profit or loss over the term of the hedged item.	On consolidation, foreign currency differences arising on the translation of financial assets and liabilities designated as net investment hedges of a foreign operation are recognised in other comprehensive income and accumulated in the foreign exchange reserve, to the extent that the hedge is effective. Any ineffective portion is recognised in the income statement.
Discontinuation of hedge accounting	If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is amortised to the income statement over the period to maturity using a recalculated effective interest rate.	When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.	Upon disposal of the foreign operation, which is subject to the net investment hedge, the cumulative amount that has been recognised in equity in relation to the hedged net investment is transferred to the income statement and recognised as part of the gain or loss on disposal.

Fair value measurement

The following table sets out the fair value of derivative financial instruments utilised by the Group, analysed by type of contract.

$ million	Fair value hierarchy	2024 Asset	2024 Liability	2023 Asset	2023 Liability
Cash flow hedges					
Interest rate swap contracts	Level 2	**15.8**	**-**	3.2	-
Foreign exchange derivatives	Level 2	**1.3**	**(3.4)**	5.5	(0.9)
Commodity derivatives	Level 2	**0.1**	**-**	-	(0.2)
Energy derivatives	Level 3	**8.4**	**(2.1)**	6.4	(1.5)
Fair value hedge					
Foreign exchange derivatives	Level 2	**0.5**	**-**	3.3	(0.1)
Commodity derivatives	Level 2	**0.6**	**(0.3)**	0.1	(1.1)
Total derivatives		**26.7**	**(5.8)**	18.5	(3.8)
Total derivatives in current position		**2.5**	**(4.9)**	9.3	(2.2)
Total derivatives in non-current position		**24.2**	**(0.9)**	9.2	(1.6)
Total derivatives		**26.7**	**(5.8)**	18.5	(3.8)

The Group does not hold any Level 1 financial instruments. There were no transfers between Level 1 and 2 for recurring fair value measurements during the year.

The following table provides a reconciliation of the fair value movements in Level 3 financial instruments.

$ million	2024	2023
Opening balance	**4.9**	(0.5)
Total gains or losses:		
Recognised in other comprehensive income	**1.5**	5.1
Recognised in income statement	**(0.1)**	(0.4)
Settlement of derivative	**-**	0.7
Closing balance	**6.3**	4.9

Section 5: Financial risk management (continued)

5.1. Derivative financial instruments (continued)

Judgements and estimates

The Orora Group Treasury team performs the financial instrument valuations and reports directly to the Chief Financial Officer (CFO) and the Audit, Risk & Compliance Committee. Discussions of valuation processes and results are held with the CFO and Orora Group Treasury at least once every six months, in line with the Group's half-yearly reporting requirements. Significant valuation issues are reported to the Audit, Risk & Compliance Committee.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into three levels as prescribed under accounting standards, with each of these levels indicating the reliability of the inputs used in determining fair value. The levels in the fair value hierarchy are:

Level 1: Financial instruments traded in an active market (such as publicly traded derivatives, and trading and available-for-sale securities). Fair value is from a quoted price, for an identical asset or liability at the end of the reporting period, traded in an active market. The quoted market price used for assets is the last bid price.

Level 2: Financial instruments that are not traded in an active market (for example over-the-counter derivatives). Fair value is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. All significant inputs used in the valuation method are observable.

Level 3: Financial instruments for which no market exists in which the instrument can be traded. Where one or more of the significant inputs in determining fair value for the asset or liability is not based on observable market data (unobservable input), the instrument is included in Level 3.

Determining fair value

The specific valuation techniques used to value derivative financial instruments at balance sheet date are as follows:

- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows - i.e. the amounts that the Group would receive or pay to terminate the swap at reporting date, based on observable yield curves;
- the fair value of forward foreign exchange contracts and currency options is determined using the difference between the contract exchange rate and the quoted exchange rate;
- the fair value of the aluminium commodity forward contracts is determined using the difference between the contract commodity price and the quoted market price;
- the fair value of commodity forward contracts is calculated as the present value of the estimated future cash flows using market observable quoted prices; and
- the fair value of energy derivatives is calculated as the present value of the future contracted cash flows using market observable quoted prices and risk adjusted forecast prices including credit adjustments.

Financial risk management is carried out by Orora Group Treasury under the Treasury Risk Management Policy that has been approved by the Board for managing each of the below risks, including principles and procedures with respect to risk tolerance, delegated levels of authority on the type and use of derivative financial instruments and the reporting of these exposures. The Treasury function reports regularly to the Board and treasury procedures are subject to periodic review.

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance as set out in the table below:

Risk	Exposure	Management
Market risks		
• Interest rate risk	The Group is exposed to interest rate risk in respect of short- and long-term borrowings where interest is charged at variable rates.	The Group mitigates interest rate risk primarily by maintaining an appropriate mix of fixed and floating rate borrowing arrangements. Where necessary the Group hedges interest rate risk using derivative instruments - e.g. interest rate swaps. Refer notes 5.2.1 and 5.1.
• Foreign exchange risk	The Group is exposed to foreign exchange risk because of its international operations and the need to undertake certain transactions denominated in foreign currencies. These risks relate to future commercial transactions (mainly relating to export sales, the purchase of inventory and capital expenditure), financial assets and liabilities not denominated in A$ and net investments in foreign operations.	Loans are drawn in foreign currency by foreign entities to create a natural hedge of foreign currency assets and liabilities. Where a natural hedge does not exist the Group's policy is to hedge contractual commitments denominated in a foreign currency by entering into forward exchange contracts. Refer notes 5.2.2 and 5.1.
• Commodity price risk	The Group is exposed to changes in commodity prices in respect of the purchase of aluminium raw materials and the price of electricity.	Where possible, the Group mitigates raw material commodity price risk by contractually passing rise and fall adjustments through to customers. To mitigate the variability of wholesale electricity prices in Australia, the Group utilises Power Purchase Arrangements (PPAs). Refer notes 5.2.3 and 5.1.
• Employee share plan risk	The Group's employee share plans require the delivery of shares to employees in the future when rights vest or options are exercised. The Group currently acquires shares on-market to deliver these shares exposing the Group to cash flow risk - i.e. as the share price increases it costs more to acquire the shares on-market.	The Group has established the Orora Employee Share Trust which manages and administers the Group's responsibilities under the employee share plans through acquiring, holding and transferring shares or rights to shares in the Company to participating employees. Refer notes 5.2.4, 6.3 and 7.1.
Credit risk	The Group is exposed to credit risk from financial instrument contracts and trade and other receivables. The maximum exposure to credit risk at reporting date is the carrying amount, net of any provision for impairment, of each financial asset in the balance sheet.	The Group manages credit risk through a robust system of counterparty approval, granting and renewal of credit limits, regular monitoring of exposures against such credit limits and assessing the overall financial stability and competitive strength of the counterparty on an ongoing basis. The Group only enters into financial instrument contracts with high credit quality financial institutions with a minimum long-term credit rating of BBB+ or better by Standard & Poor's. Refer to notes 5.3 and 3.1 for credit risk exposures relating to trade and other receivables.
Liquidity and funding risk	The Group is exposed to liquidity and funding risk from operations and from external borrowings, where the risk is that the Group may not be able to refinance debt obligations or meet other cash outflow obligations when required.	The Group mitigates funding and liquidity risks (refer note 5.4) by ensuring that: • a sufficient range of funds are available to meet working capital and investment objectives, including financing in respect of trade receivables (refer note 3.1) and supplier chain financing and raw material purchase supply agreements (refer note 3.3 and 5.4); • adequate flexibility within the funding structure is maintained through the use of bank overdrafts, bank loans and unsecured notes; • through regular monitoring of rolling forecast of cash inflows and outflows, the cost of funding is minimised and that the return on any surplus funds is maximised through efficient cash management; and • there is a focus on improving operational cash flow and maintaining a strong balance sheet.

Section 5: Financial risk management (continued)

5.2. Market risks

5.2.1. Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's Treasury Risk Management Policy is to maintain an appropriate mix between fixed and floating rate borrowings, monitoring global interest rates, and where appropriate, hedging floating interest rate exposures or borrowings at fixed interest rates through the use of interest rate swaps and forward interest rate contracts.

The Group regularly analyses its interest rate exposure, by taking into consideration forecast debt positions, refinancing, renewals of existing positions, alternative financing, hedging positions and a mix of fixed and floating interest rates. The Group's objective is to hold a percentage of fixed rate debt within the appropriate range for its tenor as defined in the Treasury Risk Management Policy. At 30 June 2024, approximately 53% (2023: 56%) of the Group's debt is fixed rate.

The Group had the following borrowings exposed to floating interest rate risk:

	2024		2023	
	Weighted average interest rate	Balance $ million	Weighted average interest rate	Balance $ million
Bank loans	**5.8%**	**1,728.0**	5.6%	468.1
Interest rate swaps (notional principal amount)	**2.6%**	**792.8**	3.7%	100.0
Net exposure to cash flow interest rate risk		**935.2**		368.1

Interest rate derivatives used for hedging

The Group's interest rate swaps are classified as cash flow hedges so any movement in the fair value is recognised directly in equity. The amounts accumulated in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

The table below details the carrying values representing the fair value of the instruments used to hedge interest rate risk together with the notional principal amounts of the interest rate swaps outstanding at the end of the reporting period:

	2024		2023	
	Notional item	Balance $ million	Notional item[1]	Balance $ million
Cash flow hedges				
AUD floating to fixed	**AUD 150m**	**2.4**	AUD 150.0m	3.2
EUR floating to fixed	**EUR 400m**	**13.4**	-	-
Total derivatives		**15.8**		3.2

(1) The cash flow hedge notional amount includes $50.0 million of forward starting swaps which are hedging the underlying interest rate exposures and therefore not included in the net exposure to cash flow interest rate risk table above.

During the year a gain of $12.6 million (2023: $3.2 million) was recognised in other comprehensive income. No amounts relating to cash flow hedges were transferred from equity to operating profit (2023: nil). No amounts were recognised in the income statement in respect of hedge ineffectiveness on interest rate swaps (2023: nil).

At 30 June 2024, if the Australian, Europe and US interest rates had increased or decreased by 1.0% (100bps), the impact on post-tax profit for the year and on equity would have been:

	2024		2023	
	Post-tax profit	Equity	Post-tax profit	Equity
Interest rates				
Interest rate increase by 1%	**(12.2)**	**18.6**	(3.3)	3.5
Interest rate decrease by 1%	**12.2**	**(18.6)**	3.3	(3.5)

5.2.2. Foreign exchange risk

The Group operates internationally and is therefore exposed to currency risk arising from movements in foreign currency rates, primarily with respect to the Euro, US Dollar and NZ Dollar. The foreign exchange risk arises from:

- recognised monetary assets and liabilities held in a non-functional currency and net investments in foreign operations (translation risk); and
- differences in the dates foreign currency commercial transactions are entered into and the dates they are settled (transaction risk).

Translation risk

To limit translation risk exposure the Group's borrowings are generally denominated in currencies that match the cash flows generated by the underlying operations of the Group, which are primarily Australian dollars, Euro and US dollars. Interest payable on those borrowings is denominated in the currency of the borrowing. In respect of the US and Europe operations this provides a natural economic hedge without requiring derivatives to be entered into.

The summary quantitative data about the Group's exposure to translation currency risk (expressed in Australian dollars), as reported to the management of the Group, is as follows:

	2024			2023		
$ million	**USD**	**EUR**	**NZD**	USD	EUR	NZD
Funds employed	723.0	2,686.8	57.6	745.8	-	54.0
Net Debt	(278.7)	(814.2)	32.5	(343.4)	-	33.7
Net exposure to translation risk	**444.3**	**1,872.6**	**90.1**	402.4	-	87.7

Transaction risk

To manage foreign currency transaction risk, where a natural hedge does not exist, the Group's policy is to hedge material foreign currency denominated expenditure at the time of commitment and to hedge a proportion of foreign currency denominated forecasted exposures on a rolling 18-month basis (mainly relating to export sales, the purchase of inventory and capital expenditure and the resulting payables) through the use of forward foreign exchange contracts or foreign currency options taken out for up to two years from the forecast date.

The Group's exposure to foreign currency risk at the end of the reporting period in respect of foreign denominated monetary items was as follows:

	2024				2023			
	USD	**NZD**	**EUR**	**GBP**	USD	NZD	EUR	GBP
Trade receivables	84.5	1.5	0.2	0.3	28.9	2.1	-	-
Trade payables	(185.6)	-	(27.6)	(0.4)	(128.4)	(7.0)	(3.0)	(0.4)
Foreign currency forwards								
Cash flow hedges								
Buy foreign currency	84.2	-	5.5	4.3	100.2	-	26.9	0.2
Sell foreign currency	-	(4.5)	-	(1.1)	(0.7)	(3.4)	-	-
Held for trading								
Buy foreign currency	85.1	-	0.6	-	90.0	-	0.5	-

Section 5: Financial risk management (continued)

5.2. Market risks (continued)

5.2.2. Foreign exchange risk (continued)

Forward exchange derivatives used for hedging

The below carrying values represent the fair value of instruments used to hedge foreign exchange risk together with the associated nominal volume and foreign exchange swap rate:

	2024				2023			
			$ million				$ million	
	Notional value million	Weighted Average	Asset	Liability	Notional value million	Weighted Average	Asset	Liability
Cash flow hedges								
AUD/USD	USD 75.9	0.6695	1.0	(0.9)	USD 90.4	0.6840	3.2	(0.6)
AUD/EUR	EUR 5.5	0.6223	0.1	(0.1)	EUR 26.9	0.6378	2.1	-
AUD/GBP	GBP 4.3	0.5215	-	(0.1)	GBP 0.2	0.5585	-	-
GBP/EUR	GBP 1.1	0.8765	-	-	-	-	-	-
NZD/USD	USD 8.3	0.6036	0.1	(0.2)	USD 9.1	0.6069	0.2	(0.3)
NZD/AUD	NZD 4.5	1.0915	0.1	-	NZD 3.4	1.0927	-	-
Fair value hedges								
AUD/USD	USD 74.0	0.6583	0.4	(2.0)	USD 73.1	0.6843	2.6	-
NZD/USD	USD 11.1	0.6075	0.1	(0.1)	USD 16.9	0.6269	0.7	(0.1)
AUD/EUR	EUR 0.6	0.6091	-	-	EUR 0.5	0.6289	-	-
Total derivatives in an asset/(liability) position			1.8	(3.4)			8.8	(1.0)

Within other income in the income statement the Group recognised a net foreign exchange gain of $3.7 million (2023: $4.2 million gain) and, in respect of foreign currency derivatives designated at fair value through profit or loss, a loss of $0.3 million (2023: $0.1 million gain).

In addition, a loss of $1.0 million (2023: $12.3 million gain) relating to cash flow hedges and a $85.5 million loss (2023: $21.1 million gain) on the translation of foreign operations and a gain of $8.0 million on net investment hedges (2023: nil) was recognised in other comprehensive income. Gains of $2.2 million (2023: $12.5 million gain) relating to cash flow hedges were transferred from equity to operating profit, whilst gains of $0.6 million were transferred from equity to non-financial assets (2023: $1.1 million gain). No amounts were recognised in the income statement in respect of hedge ineffectiveness (2023: nil).

At 30 June 2024, had the Australian dollar (or where applicable the New Zealand dollar or Euro) weakened by 10% against the following currencies, with all other variables held constant, the impact on post-tax profit, net of derivatives, and equity would have been:

	2024		2023	
	Post-tax profit	Equity	Post-tax profit	Equity
Foreign exchange				
AUD and NZD weakens against US dollar by 10%	2.1	8.3	7.3	11.5
AUD weakens against NZ dollar by 10%	0.1	(0.2)	(0.4)	(0.2)
AUD weakens against Euro by 10%	(2.3)	0.7	(0.2)	5.0
AUD and Euro weakens against GBP by 10%	-	0.7	-	-

5.2.3. Commodity price risk

The Group is exposed to commodity price risk arising from the purchase of aluminium and the price of electricity.

Electricity prices

To manage the risk associated with the variability of wholesale electricity prices in Australia the Group utilises Power Purchase Agreements (PPAs). These contracts are entered into in order to economically hedge exposure to fluctuations in electricity prices by purchasing electricity at predetermined prices.

These derivative instruments meet the requirements for hedge accounting. Settlement of the contracts requires exchange of cash for the difference between the contracted and spot market price. The contracts are measured at fair value and the resultant gains or losses that effectively hedge designated risk exposures are deferred within the cash flow hedge reserve.

The following table details the fair value of the energy derivatives outstanding at the end of the reporting period:

	2024		2023	
$ million	Asset	Liability	Asset	Liability
Energy derivatives	**8.4**	**(2.1)**	6.4	(1.5)

During the year a gain of $1.5 million (2023: $5.1 million) was recognised in other comprehensive income, whilst $0.1 million loss was recognised in the income statement in respect of hedge ineffectiveness (2023: $0.2 million loss). No amounts relating to cash flow hedges were transferred from equity to operating profit.

At 30 June 2024, if electricity forward prices had been 10% higher or lower, with all other variables held constant, the impact on post-tax profit and equity would have been:

	2024		2023	
	Post-tax profit	**Equity**	Post-tax profit	Equity
Electricity prices				
Electricity forward prices increase by 10%	**-**	**3.2**	(0.1)	3.9
Electricity forward prices decrease by 10%	**-**	**(2.8)**	0.1	(4.2)

Commodity prices

In the majority of instances, with managing commodity price risk associated with aluminium purchases, the Group is able to pass on the price risk contractually to customers through rise and fall adjustments. Under these circumstances, some hedging of aluminium (LME) prices is undertaken using fixed price swaps on behalf of certain customers. Hedging undertaken is upon customer instruction and all related benefits and costs are passed through to the customer on maturity of the transaction.

Commodity derivatives used for hedging
The below carrying values represent the fair value of instruments used to hedge commodity price risk together with the associated nominal volume:

	2024				2023			
			$ million				$ million	
LME price	**Notional value million**	**Weighted Average (USD/mt)**	**Asset**	**Liability**	Notional value million	Weighted Average (USD/mt)	Asset	Liability
Cash flow hedges								
Aluminium commodity	**USD 1.4**	**2,406.2**	**0.1**	**-**	USD 3.9	2,312.5	-	(0.2)
Fair value hedges								
Aluminium commodity	**USD 10.5**	**2,480.9**	**0.6**	**(0.3)**	USD 8.9	2,399.6	0.1	(1.1)
Total derivatives in an asset/(liability) position			**0.7**	**(0.3)**			0.1	(1.3)

Section 5: Financial risk management (continued)

5.2. Market risks (continued)

5.2.3. Commodity price risk (continued)

Commodity purchases

The movements in aluminium commodity hedges are recognised in equity and the cumulative amount of the hedge is recognised in the income statement when the forecast transaction is realised. Where commodity hedges are undertaken on behalf of certain customers, there is no impact on profit as a result of movements in commodity prices as the Group passes the price risk contractually through to customers.

During the period, the Group recognised a gain of $0.6 million (2023: $1.2 million loss) relating to commodity hedges in other comprehensive income, whilst a gain of $1.3 million (2023: $1.6 million loss) relating to commodity hedges was transferred from equity to non-financial assets. No amounts relating to cash flow hedges held for Group purposes were transferred from equity to operating profit.

At 30 June 2024, if the prices of aluminium had been 10% higher or lower, with all other variables held constant, the impact on post-tax profit and equity would have been:

	2024		2023	
	Post-tax profit	Equity	Post-tax profit	Equity
Commodity				
Commodity prices increase by 10%	-	0.1	-	0.4
Commodity prices decrease by 10%	-	(0.1)	-	(0.4)

5.2.4. Employee Share Plan risk

The Group is exposed to movements in the value of ordinary shares of the Company in respect of the obligations under the Group's Employee Share Plans (refer note 7.1). To mitigate this risk the Group has established the Orora Employee Share Trust (the Trust) to manage and administer the Group's responsibilities under the Employee Share Plans through the acquiring, holding and transferring of shares, or rights to shares, in the Company to participating employees.

As at 30 June 2024, the Trust holds 4,105,297 treasury shares in the Company (2023: 3,492,519) of which 141,032 are allocated shares in respect of the Restricted Share Unit (RSU) grants (2023: 341,076). Refer to note 6.3 for further details.

5.3. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's receivables from customers, cash and cash equivalents and in-the-money derivatives. There is also credit risk relating to the Group's own credit rating as this impacts the availability and cost of future finance.

The Group manages credit risk through the maintenance of procedures such as the utilisation of systems of approval, granting and renewal of credit limits, regular monitoring of exposures against such credit limits and assessing the overall financial stability and competitive strength of the counterparty on an ongoing basis.

Trade and other receivables

Credit risk exposures related to trade and other receivables are discussed in note 3.1.

Cash and cash equivalents and derivatives

Credit risk related to balances with banks and financial institutions is managed by Orora Group Treasury in accordance with the Group's Treasury Risk Management Policy. The policy only allows financial derivative instruments to be entered into with high credit quality financial institutions with a minimum long-term credit rating of BBB+ or better by Standard & Poor's. In addition, the Board has approved the use of these financial institutions, and specific internal guidelines have been established with regards to limits, dealing and settlement procedures.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any security held, is equivalent to the carrying amount and classification of the financial assets (net of any provisions) as presented in the Statement of financial position.

Guarantees

The Group's policy is to provide financial guarantees only to certain parties securing the liabilities of subsidiaries. These are only provided in exceptional circumstances (refer note 7.3).

5.4. Liquidity and funding risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's financing policy is to fund itself for the long term by using debt instruments with a range of maturities and to ensure access to appropriate short-term facilities. Orora Group Treasury aims to maintain flexibility within the funding structure through the use of bank overdrafts and bank loans.

Management manages liquidity risk through maintaining minimum undrawn committed liquidity of at least $250.0 million that can be drawn upon at short notice and regularly monitoring rolling forecasts of cash inflows and outflows in relation to the Group's activities. This monitoring includes financial ratios to assess possible future credit ratings and headroom and takes into account the accessibility of cash and cash equivalents.

Financing arrangements

At 30 June 2024, in addition to a range of short-term uncommitted credit lines the Group also had access to unsecured committed facilities as set out in note 2.3.2.

The Group also has access to facilities for working capital purposes, refer notes 3.1 and 3.3. The supplier facilities allow the Group to provide certain suppliers with access to supply chain financing, which allows these suppliers to benefit from the Group's credit profile. The size of these facilities at 30 June 2024 was $317.5 million (2023: $197.5 million).

These facilities also support efficient payment processing of supplier invoices allowing the Group to centralise payments of trade payables to the funding provider rather than paying each supplier individually. The facilities do not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating and assist in making cash outflows more predictable.

The Group also has supply agreements in place for certain raw material purchases, where there is considerable time lag between the purchase order date and receipt of the raw material, that include supply chain financing characteristics that provide the Group with extended payment terms compared to the related invoice payment due date. Under these arrangements, the funding provider agrees to pay amounts to the participating suppliers in respect of these invoices and receives settlement from the Group at a later date. The size of the facility at 30 June 2024 was $101.2 million (2023: $120.0 million).

The level of utilisation under these arrangements is dependent upon the Group's raw material purchases and the individual requirements of the Group's suppliers which varies over time.

Maturity of financial liabilities

The table below allocates the Group's financial liabilities, including derivatives, into relevant maturity groupings based on the period remaining until the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest), so will not always reconcile with the amounts disclosed in the statement of financial position:

$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
2024						
Non-derivative financial instruments						
Trade and other payables	**946.6**	**2.7**	**7.8**	**5.0**	**962.1**	**962.1**
Lease liabilities	**102.6**	**94.8**	**165.8**	**83.9**	**447.1**	**419.5**
Borrowings	**140.2**	**417.9**	**1,584.4**	**380.5**	**2,523.0**	**1,998.4**
Total non-derivatives	**1,189.4**	**515.4**	**1,758.0**	**469.4**	**3,932.2**	**3,380.0**
2023						
Non-derivative financial instruments						
Trade and other payables	758.2	2.3	5.6	4.9	771.0	771.0
Lease liabilities	64.2	55.8	113.2	25.9	259.1	227.6
Borrowings	188.8	445.3	273.4	-	907.5	832.4
Total non-derivatives	1,011.2	503.4	392.2	30.8	1,937.6	1,831.0

Section 5: Financial risk management (continued)

5.4. Liquidity and funding risk (continued)

Maturity of financial liabilities (continued)

$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
2024						
Derivatives						
Gross settled forward exchange contracts						
Inflow	271.7	7.6	-	-	279.3	
Outflow	(273.2)	(7.7)	-	-	(280.9)	
Total gross settled forward exchange contracts	(1.5)	(0.1)	-	-	(1.6)	(1.6)
Net settled:						
Commodity contracts	0.4	-	-	-	0.4	0.4
Interest rate swaps	-	0.8	15.0	-	15.8	15.8
Electricity price commodity swaps	(0.9)	(1.1)	3.9	4.4	6.3	6.3
Total derivatives	(2.0)	(0.4)	18.9	4.4	20.9	20.9
2023						
Derivatives						
Gross settled forward exchange contracts						
Inflow	317.0	17.3	-	-	334.3	
Outflow	(309.6)	(16.9)	-	-	(326.5)	
Total gross settled forward exchange contracts	7.4	0.4	-	-	7.8	7.8
Net settled:						
Commodity contracts	(1.1)	(0.1)	-	-	(1.2)	(1.2)
Interest rate swaps	-	-	3.2	-	3.2	3.2
Electricity price commodity swaps	0.2	0.4	(0.3)	4.6	4.9	4.9
Total derivatives	6.5	0.7	2.9	4.6	14.7	14.7

Section 6: Group structure

In this section

This section provides information on those subsidiaries whose results principally affect the financial results of the Group, including details of the divestments and acquisitions that occurred during the period.

Details of the Orora Employee Share Trust are also discussed below.

6.1. Saverglass acquisition

Saverglass is a global leader in the design, manufacturing, customisation and decoration of high-end bottles for the premium and ultra-premium spirt and wine markets. The business differentiates its offerings through its integrated decoration capabilities and has manufacturing operations across three continents, located in close proximity to key production regions and servicing customers in more than 100 countries. The acquisition will provide meaningful scale to Orora's existing operations, extending its operating footprint and product capabilities in attractive offshore markets, and enhancing its financial performance and growth prospects.

On 5 September 2023 the Group announced it had entered into a Put Option Agreement to acquire the Saverglass SAS Group (Saverglass), through the acquisition of all the shares of Olympe SAS, for €1,290.0 million (A$2,156.0 million) upon the completion of certain mandatory French work council consultation processes. The works council consultation process was successfully completed on 4 October 2023, the vendors exercised their put option, and the parties entered into a binding Share Purchase Agreement.

The Group completed the acquisition of Saverglass on 1 December 2023, upon satisfaction of all conditions precent within the Share Purchase Agreement. The final acquisition cost, net of cash acquired, was €1,309.7 million (A$2,158.8 million) including all working capital and completion adjustments.

The acquisition was funded via a fully underwritten equity raising of $1,345.0 million and $875.0 million of debt financing. Details of the extended Global Facility Agreements utilised to fund the acquisition are provided in note 2.3. The equity raising, which occurred in September 2023, comprised a $450.0 million Institutional Placement and a $895.0 million 1-for-2.55 accelerated non-renounceable pro rata entitlement offer. The equity proceeds were converted into Euros using a Deal Contingent Forward swap at an average rate of AUD/EUR 0.5911.

Purchase consideration

During the period the Group reported the following cash flows in respect of the acquisition:

$ million	EUR	AUD
Purchase consideration	1,381.0	2,276.2
Less cash balances acquired	(71.3)	(117.4)
Outflow of cash	**1,309.7**	**2,158.8**

Transaction costs of $40.4 million (after tax $38.5 million) have been recognised in general and administrative expenses in the income statement. In addition, costs of $8.2 million incurred with regards to debt financing associated with the acquisition have been capitalised, and $25.5 million of costs related to the equity raising have been charged to equity (refer note 2.4).

Revenue and earnings contribution

The acquisition of Saverglass occurred on 1 December 2023 and therefore earnings attributable to this business have been recognised within the results of the Group subsequent to this date. Revenue of $705.4 million (€427.6 million), earnings before interest and tax of $80.6 million (€48.8 million) and earnings before significant items, interest, tax, depreciation and amortisation of $146.8 million (€88.9 million) have been recognised in the period from the date of acquisition to 30 June 2024.

If the acquisition had occurred on 1 July 2023, the consolidated pro-forma revenue and earnings before interest and tax would have been $1,209.3 million (€733.0 million), earnings before interest and tax of $138.2 million (€83.7 million) and earnings before significant items, interest, tax, depreciation and amortisation of $251.7 million (€152.4 million). These amounts have been calculated pro-rata basis using the acquired business results adjusting for:

- differences in French GAAP to IFRS and accounting policies between the Group and the acquired business; and
- the adjustment to depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had been applied from 1 July 2023.

Acquired assets and liabilities

Management engaged an independent valuer to assist with the determination of the fair values of the acquired assets and liabilities, including separately identifiable intangible assets. Estimating the fair value of the acquired balance sheet is complex and requires considerable judgement and whilst this exercise is substantially complete the finalisation of the fair values exercise will be completed within 12 months form the date of acquisition as allowed by AASB 3 *Business Combinations*. Therefore, the fair value of the identifiable assets acquired, and liabilities assumed, of Saverglass and consolidated into the Group's balance sheet at 30 June 2024, have been provisionally determined and are therefore subject to change.

Section 6: Group structure (continued)

6.1. Saverglass acquisition (continued)

Acquired assets and liabilities (continued)

The table below sets out the provisional fair value of the identifiable assets acquired, and liabilities assumed.

$ million	EUR	AUD
Total purchase consideration	1,381.0	2,276.2
Provisional fair value of net assets acquired		
Cash and cash equivalents	71.3	117.4
Trade and other receivables	168.7	278.1
Inventories	212.3	349.9
Other financial assets	31.4	51.8
Property, plant and equipment	524.1	863.8
Right-of-use assets	78.1	128.7
Deferred tax assets	61.8	101.9
Brand name	257.0	423.6
Other intangible assets	152.6	251.6
Trade and other payables	(147.0)	(242.2)
Borrowings	(21.9)	(36.1)
Lease liabilities	(100.9)	(166.3)
Income tax provision	(13.9)	(22.9)
Provisions	(143.4)	(236.4)
Deferred tax liability	(152.1)	(250.8)
Provisonal fair value of net identifiable assets acquired	978.1	1,612.1
Provisional allocation of goodwill	402.9	664.1
Provisional fair value of net assets acquired	1,381.0	2,276.2

Acquired trade receivables

The fair value of the acquired trade receivables is $213.4 million. The gross contractual amount for trade receivables due is $226.0 million, of which $12.6 million is expected to be uncollectable.

Goodwill

The goodwill recognised on acquisition represents the premium paid above fair value of the identifiable net assets acquired. The calculation of goodwill is provisional and will be updated for the final allocation of fair values of tangible and identifiable intangible assets and liabilities arising from the purchase price accounting.

The acquired goodwill is mainly attributable to proprietary technologies and processes, the uniquely strong market position of Saverglass and the benefits derived from a skilled and knowledgeable workforce as well as synergies expected to be achieved from network optimisation, cost rationalisation and operational efficiencies available to the Group upon the integration of the acquired business. None of the goodwill is expected to be deductible for tax purposes.

Contingent liabilities

Contingent liabilities relating to claims and legal proceedings have been recognised on the acquisition of Saverglass. The assessment of the fair value of these obligations has been based upon management's interpretation of the underlying claims and independent legal advice. The fair value assessment of the recognised obligation is based upon the potential undiscounted amount of all future payments that the Group could be required to make

Indemnification

Included in acquired provisions are amounts for potential losses or damages arising from legal actions or other regulatory obligations, including environmental compliance matters, that are indemnified under the Saverglass sale and purchase agreement. A corresponding indemnification asset is included in acquired trade and other receivables to the extent these obligations are mitigated under the indemnification.

6.2. Principal subsidiary undertakings and investments

The ultimate parent of the Group is Orora Limited, a company incorporated in Australia. The companies listed below are those whose results, in addition to the parent Company, principally affect the figures shown within the Annual Report:

Controlled entities	Country of incorporation	Ownership interest 2024	2023
Orora Packaging Austalia Pty Ltd	Australia	100%	100%
Orora Packaging New Zealand Limited	New Zealand	100%	100%
Orora Packaging Solutions	United States	100%	100%
Landsberg Orora	United States	100%	100%
Orora Packaging Texas LP	United States	100%	100%
Pollock Investments Incorporated	United States	100%	100%
Kent H. Landsberg Co of Illinois LLC	United States	100%	100%
Orora Visual LLC	United States	100%	100%
Saverglass SAS	France	100%	-
Alphaglass SAS	France	100%	-
Tourres et Cie SAS	France	100%	-
MD Verre	Belgium	100%	-
Saverglass Inc	United States	100%	-
Saverglass S de RL de CV	Mexico	100%	-
Saverglass LLC	UAE	100%	-

6.3. Orora Employee Share Trust

The Group holds shares in itself as a result of shares purchased by the Orora Employee Share Trust (the Trust). The Trust was established to manage and administer the Company's responsibilities under the Group's Employee Share Plans (refer note 7.1) through the acquiring, holding and transferring of shares, or rights to shares, in the Company to participating employees. In respect of these transactions, at any point in time the Trust may hold 'allocated' and 'unallocated' shares.

As at 30 June 2024, the Trust held 4,105,297 treasury shares in the Company (2023: 3,492,519) of which 141,032 are allocated shares in respect of the Restricted Share Unit (RSU) grants (2023: 341,076).

Allocated shares

Allocated shares represent those shares purchased and awarded to employees under Orora's Employee Restricted Share Unit (RSU) Plan (refer note 7.1).

Shares granted to an employee under the RSU Grant are restricted in that the employee is unable to dispose of the shares for a period of up to five years (or as otherwise determined by the Board). The Trust holds these shares on behalf of the employee until the restriction period is lifted at which time the Trust releases the shares to the employee. Allocated shares are not identified or accounted for as treasury shares.

Where the Orora Employee Share Trust purchases equity instruments in the Company, as a result of managing the Company's responsibilities under the Group's RSU Grant Employee Share Plan award, the consideration paid, including any directly attributable costs, is deducted from equity, net of any related income tax effects.

Unallocated shares

Unallocated shares represent those shares that have been purchased by the Trustee on-market to satisfy the potential future vesting of awards granted under the Group's Employee Share Plans, other than the RSU Grant. As the shares are unallocated, they are identified and accounted for as Treasury Shares, refer note 2.4.1.

Accounting policies

Transactions with the Group-sponsored Trust are included in these financial statements. In particular, the Trust's purchases of shares in Orora Limited are debited directly to equity. The shares are held in the Trust until such time as they may be transferred to participants of the various Group share schemes.

In accordance with the Trust Deed, the Trustees have the power to exercise all voting rights in relation to any investment (including shares) held within the Trust.

Section 7: Other notes to the financial statements

In this section

This section includes additional financial information that is required by the accounting standards and the *Corporations Act 2001*, including details about the Group's employee reward and recognition programs.

7.1. Share-based compensation

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based incentives. The Orora employee incentive plans have been established to ensure employees are motivated and incentivised to develop and successfully execute against both short- and long-term strategies that grow the business and generate shareholder returns. The plans provide an appropriate level and mix of short- and long-term incentives to appropriately recognise and reward employees creating a high-performance culture and Orora's ability to attract and retain talent. Orora's remuneration strategy is competitive in the relevant markets to support the attraction and retention of talent.

The following information provides details of Orora's employee incentive plans. During the period the Group recognised a share-based payment expense of $6.7 million (2023: $5.4 million). Employee expenses and employee provisions are shown in notes 1.5 and 3.9 respectively.

This note should be read in conjunction with the Remuneration Report, as set out in the Directors' Report, which contains detailed information regarding the setting of remuneration for Key Management Personnel.

The following table details the total movement in Restricted Share Units (RSUs), Share Options, Performance Rights or Performance Shares issued by the Group:

			Long-Term Incentive Plans				Short-Term Incentive Plan	
	RSU Grant		Share Options		Performance Rights and Performance Shares		Deferred Equity[1]	
	No.	$[2]	No.	$[2]	No.	$[2]	No.	$[2]
2024								
Outstanding at beginning of period	**341,076**	**3.57**	**1,227,085**	**0.39**	**5,028,490**	**1.94**	**1,854,445**	**3.07**
Granted during the period	**128,558**	**2.89**	**-**	**-**	**2,679,612**	**1.53**	**857,961**	**3.14**
Exercised during the period	**(308,157)**	**3.60**	**-**	**-**	**(928,758)**	**2.00**	**(922,293)**	**3.12**
Forfeited during the period	**-**	**-**	**-**	**-**	**(387,088)**	**1.47**	**(58,048)**	**2.18**
Outstanding at end of period	**161,477**	**2.98**	**1,227,085**	**0.39**	**6,392,256**	**1.78**	**1,732,065**	**3.13**
Exercisable at end of period	**-**	**-**	**1,227,085**	**0.39**	**-**	**-**	**-**	**-**
2023								
Outstanding at beginning of period	461,347	3.55	1,452,692	0.39	5,024,900	1.93	1,375,180	2.85
Granted during the period	7,352	3.11	-	-	1,971,616	1.96	1,039,440	3.02
Exercised during the period	(58,854)	2.40	-	-	(937,479)	2.01	(380,076)	2.14
Forfeited during the period	(68,769)	3.66	(225,607)	0.38	(1,030,547)	1.85	(180,099)	3.04
Outstanding at end of period	341,076	3.57	1,227,085	0.39	5,028,490	1.94	1,854,445	3.07
Exercisable at end of period	-	-	1,227,085	0.39	-	-	-	-

(1) The equity outcomes for the 2024 financial year short-term incentive will be determined and allocated in September 2024 and are therefore not included in the above table.
(2) The above weighted average fair value is determined in accordance with AASB 2 *Share-based Payment* in respect of recognising the share-based payment expense of the award granted.

The exercise prices of the RSU Grant, Performance Rights and Performance Shares and Deferred Equity Awards are nil. The exercise prices of Share Options outstanding at the end of the year are set out below:

Grant date	Vesting Date	Expiry date	Exercise price	Number 2024	2023
30 Oct 2015	30 Sept 2019	30 Sept 2024	2.08	**226,567**	226,567
22 Oct 2018	31 Aug 2022	31 Aug 2027	3.58	**1,000,518**	1,000,518
Share options outstanding at end of period				**1,227,085**	1,227,085
Weighted average contractual life of options outstanding at end of period				**2.7 years**	3.7 years

The Group has ceased offering share options under the long-term incentive plan. The last share option grant was issued in FY19, with a performance period end date of 30 June 2022.

Accounting policies

The cost of the share-based compensation provided to employees is measured using the fair value at the date at which the rights are granted and is recognised as an employee benefit expense in the income statement with a corresponding increase in the share-based payment reserve in equity. The expense is spread over the vesting period during which the employees become unconditionally entitled to the rights granted. Upon exercise of the right, the balance of the share-based payment reserve, relating to the right, is transferred to share capital.

At each reporting period the Group revises the estimate of the number of rights that are expected to vest based on the non-market vesting conditions. Any impact to the revision of an original estimate is recognised in the income statement with a corresponding adjustment to the share-based payment reserve. The employee expense, recognised each period, reflects the most recent estimate. The fair value of rights is measured at grant date taking into account market performance conditions but excludes the impact of any non-market conditions (e.g. profitability and earnings growth targets). Non-market vesting conditions are included in the assumptions about the number of rights that are expected to be exercisable.

The fair value of rights is measured at grant date using a Monte-Carlo valuation model which simulates the date of vesting, the percentage vesting, the share price and total shareholder return. Once the simulated date of vesting is determined a Black-Scholes methodology is utilised to determine the fair value of the rights granted.

The following weighted average assumptions were used in determining the fair value of rights granted during the period:

	2024	2023
Expected dividend yield (%)	**6.77**	4.71
Expected price volatility of the Company's shares (%)	**26.78**	29.74
Share price at grant date ($)	**2.57**	3.20
Risk-free interest rate - rights (%)	**4.07**	3.44
Expected life of rights (years)	**3.45**	3.46

The dividend yield reflects the assumption that the current dividend pay-out will continue with no anticipated changes. The expected price volatility of the Company’s shares reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Section 7: Other notes to the financial statements (continued)

7.1. Share-based compensation (continued)

A description of the equity plans in place during the year ended 30 June 2024 is described below:

	Retention/Share Payment plan RSU Grant	Long-term incentives Performance Rights and Performance Shares	Short-term incentive Deferred Equity
Overview	The Board endorses certain employees as eligible to receive ordinary shares in part satisfaction of their remuneration for the relevant financial year. The number of shares issued is at the discretion of the Board. The restrictions on these shares do not allow the employee to dispose of the shares within the vesting/restriction period. The shares subject to the RSU Grant carry full dividend entitlements and voting rights.	Under the long-term incentive plan performance rights over ordinary shares in the Company, or performance shares, may be issued to employees. The exact terms and conditions of each award are determined by the Directors of the Company at the time of grant. The grant gives the employee the right to receive a share at a future point in time upon meeting specified vesting conditions, as described below; no exercise price is payable. The rights are granted at no consideration and carry no dividend entitlement or voting rights until they vest and convert to ordinary shares on a one-for-one basis.	Provides an additional short-term incentive opportunity to selected employees, in the form of rights to ordinary shares. The number of rights that are allocated to each eligible employee is based on: • 33.3% of the value of the cash bonus payable under the Short-Term Incentive Plan, following the end of the performance period; • the volume weighted average price of Orora Limited ordinary shares for the five trading days up to and including 30 June, being the end of the performance period; and • where cash bonuses are determined in currencies other than Australian dollars, the average foreign exchange rate for the same five-day period.
Vesting conditions	Subject to alignment of performance with Orora's Values as assessed by the Board and the employee remaining in employment of the Group at the vesting date.	Of the grants provided, 50% are subject to meeting a relative Total Shareholder Return (TSR) and the satisfaction of an absolute TSR gateway test, and 50% are subject to meeting an EPS hurdle and the satisfaction of a RoAFE gateway test. Vesting of the rights is subject to the employee remaining in employment of the Group at vesting date.	Remain in employment of the Group at vesting date.
Vesting period	Up to 5 years	Up to 4 years	2 years
Vested awards	Restriction lifted upon vesting.	Shares are issued upon vesting.	Shares issued upon vesting.
Unvested awards	Unvested awards are forfeited if the employee voluntarily ceases employment or is dismissed for cause or poor performance.		

7.2. Auditors' remuneration

$ thousand	2024	2023
Auditors of the Group		
Audit and other assurance services		
Audit and review of financial reports	1,298.0	950.0
Other regulatory audit services	-	16.0
Other assurance services	161.0	75.5
Other services		
Taxation services and other advice	121.9	161.1
	1,580.9	1,202.6
Related network firms of the auditor of the Group		
Audit and other assurance services		
Audit and review of financial reports	679.8	-
Total remuneration of Auditor of the Group	2,260.7	1,202.6
Non-KPMG Audit Firms		
Audit and other assurance services		
Audit and review of financial reports	885.7	310.3
Other services		
Taxation services and other advice	39.7	73.4
Total remuneration of Non-KPMG Audit Firms	925.4	383.7

7.3. Commitments and contingent liabilities

7.3.1. Commitments

At 30 June 2024, the Group has capital commitments contracted but not provided for in respect of the acquisition of property, plant and equipment of $142.1 million (2023: $108.8 million). In addition, other contracted commitments for the acquisition of Large-scale Generation Certificates under the Group's PPAs (refer note 5.2.3) not provided for amount to $9.8 million (2023: $10.6 million).

7.3.2. Contingent liabilities

A contingent liability is a liability that is not sufficiently certain to quality for recognition as a provision where uncertainty may exist regarding the outcome of future events. As part of the Saverglass acquisition (refer note 6.1) the Group has recognised contingent liabilities in respect of claims and legal proceedings for which the amounts recognised have been based upon management's interpretation of the underlying claims and independent legal advice (refer note 3.9).

Guarantees

The Group has issued a number of bank guarantees to third parties for various operational and legal purposes. In addition, Orora Limited has guaranteed senior notes issued by Landsberg Orora in the US private placement market; the notes mature in July 2025 (see note 2.3). It is not expected that these guarantees will be called on.

Other

Certain entities in the Group are party to various legal actions and exposures that have arisen in the ordinary course of business. The actions are being defended and the Directors are of the opinion that provisions are not required as no material losses are expected to arise.

Judgements and estimates

Legal proceedings

The outcome of currently pending and future legal, judicial, regulatory and other proceedings of a litigious nature cannot be predicted with certainty. Legal proceedings can raise difficult and complex issues and are subject to many uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each proceeding is brought and differences in applicable law.

An adverse decision in a legal proceeding could result in additional costs that are not covered, either wholly or partially, under insurance policies, which could significantly impact the business and the results of operations of the Group.

Each legal proceeding is evaluated on a case-by-case basis considering all available information, including that from legal counsel, to assess potential outcomes. Where it is considered probable that a future obligation will result in an outflow of resources, a provision is recognised in the amount of the present value of the expected cash outflows, if these are deemed to be reliably measurable.

Section 7: Other notes to the financial statements (continued)

7.4. Orora Limited

Orora Limited financial information

The financial information for the parent entity Orora Limited has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

In the Company's financial statements, investments in subsidiaries are carried at cost less, where applicable, accumulated impairment losses.

Nature of tax sharing agreement

Upon tax consolidation, the entities within the tax-consolidated group entered into a tax sharing agreement. The terms of this agreement specify the methods of allocating any tax liability in the event of default by the Company on its group payment obligations and the treatment where a subsidiary member exits the group. The tax liability otherwise remains with the Company for tax purposes.

Orora Limited and its wholly owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Orora Limited.

The Company, and the members of the tax-consolidated group, recognise their own current tax expense/income and deferred tax assets and liabilities arising from temporary differences using the 'stand-alone taxpayer' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

In addition to its current and deferred tax balances, the Company also recognises the current tax liabilities (or assets), and the deferred tax assets arising from unused tax losses and unused tax credits assumed from members of the tax-consolidated group, as part of the tax-consolidation arrangement. Assets or liabilities arising as part of the tax consolidation arrangement are recognised as current amounts receivable or payable from the other entities within the tax-consolidated group.

Summarised income statement and comprehensive income

	Orora Limited	
$ million	**2024**	**2023**
Profit before related income tax expense[1]	**117.0**	191.3
Income tax expense	**(16.5)**	(15.1)
Profit from continuing operations	**100.5**	176.2
Total comprehensive income for the financial period	**98.4**	181.1

(1) Profit from operations in the current period includes a significant item of expense of $38.6 million (after tax $37.2 million) relating to transaction costs incurred in respect of the acquisition of Saverglass. Profit from operations in the comparative period includes a significant item expense of $26.0 million (after tax $18.2 million) relating to additional expected costs associated with the decommissioning of the Petrie site. Refer to note 1.2 for further details of the significant items.

Summarised balance sheet

	Orora Limited	
$ million	**2024**	**2023**
Total current assets	**501.4**	479.0
Total non-current assets	**2,761.2**	1,260.1
Total assets	**3,262.6**	1,739.1
Total current liabilities	**460.0**	471.5
Total non-current liabilities	**790.9**	529.6
Total liabilities	**1,250.9**	1,001.1
Net assets	**2,011.7**	738.0
Equity		
Contributed equity and treasury shares	**1,279.5**	(38.8)
Reserves:		
Share-based payment reserve	**13.9**	13.1
Cash flow hedge reserve	**6.3**	8.9
Retained profits	**712.0**	754.8
Total equity	**2,011.7**	738.0

Contingent liabilities of Orora Limited

Deed of Cross Guarantee

Pursuant to the terms of the ASIC Corporations (Wholly Owned Companies) Instrument 2016/785, which relieves certain wholly owned subsidiaries from specific accounting and financial reporting requirements, Orora Limited and the wholly owned Australian subsidiaries listed in note 7.5 entered into an approved deed for the cross guarantee of liabilities. No liabilities subject to the Deed of Cross Guarantee at 30 June 2024 are expected to arise to Orora Limited and the subsidiaries, as all such subsidiaries were financially sound and solvent at that date.

Details of the deed and the consolidated financial position of the Company and the subsidiaries party to the Deed are set out in note 7.5.

Other guarantees

Orora Limited has guaranteed senior notes issued by Landsberg Orora in the US private placement market, the notes mature in July 2025 (see note 2.3.2). It is not expected that these guarantees will be called on.

7.5. Deed of Cross Guarantee

The Company, Orora Limited, and the wholly owned Australian subsidiaries listed below are subject to a Deed of Cross Guarantee (Deed) under which each company guarantees the debts of the others:

- Orora Packaging Australia Pty Ltd
- Orora Closure Systems Pty Ltd
- Chapview Pty Ltd
- AGAL Holdings Pty Ltd
- ACN 002693843 Box Pty Ltd
- Orora Investments Pty Ltd (formerly Envirocrates Pty Ltd)

Under the terms of ASIC Corporations (Wholly Owned Companies) Instrument 2016/785, those wholly owned subsidiaries that have entered into the Deed are granted relief from the *Corporations Act 2001* requirement to prepare and lodge audited Financial Reports and Directors' Reports.

Financial statements for the Orora Limited Deed of Cross Guarantee

The consolidated income statement, statement of comprehensive income and statement of financial position of the entities party to the Deed for the year ended, and as at 30 June, are set out below.

Consolidated income statement, statement of comprehensive income and retained earnings

$ million	2024	2023
Sales revenue	**856.4**	875.2
Profit from operations	**145.6**	226.0
Finance income	**12.5**	0.7
Finance expenses	**(43.3)**	(23.5)
Net finance costs	**(30.8)**	(22.8)
Profit before related income tax expense[1]	**114.8**	203.2
Income tax expense	**(15.7)**	(15.4)
Profit for the financial period	**99.1**	187.8
Other comprehensive income/(expense)		
Items that may be reclassified to profit or loss:		
Cash flow hedge reserve		
Unrealised gains on cash flow hedges, net of tax	**(0.5)**	13.6
Realised gains transferred to profit or loss, net of tax	**(1.7)**	(12.5)
Other comprehensive (expense)/income, net of tax	**(2.2)**	1.1
Total comprehensive income for the financial period	**96.9**	188.9
Retained profits at beginning of financial period	**856.3**	812.2
Profit for the financial period	**99.1**	187.8
Dividends recognised during the financial period	**(143.3)**	(143.7)
Retained profits at end of the financial period	**812.1**	856.3

(2) Profit from operations in the current period includes a significant item of expense of $38.6 million (after tax $37.2 million) relating to transaction costs incurred in respect of the acquisition of Saverglass. Profit from operations in the comparative period includes a significant item expense of $26.0 million (after tax $18.2 million) relating to additional expected costs associated with the decommissioning of the Petrie site. Refer to note 1.2 for further details of the significant items.

Section 7: Other notes to the financial statements (continued)

7.5. Deed of Cross Guarantee (continued)

Consolidated balance sheet

$ million	2024	2023
Current assets		
Cash and cash equivalents	16.8	4.9
Trade and other receivables	87.2	124.6
Inventories	397.3	351.7
Derivatives	2.4	9.3
Other current assets	14.2	10.4
Total current assets	517.9	500.9
Non-current assets		
Investments in controlled entities	1,929.5	567.7
Property, plant and equipment	755.3	625.5
Right-of-use assets	12.4	12.1
Goodwill and intangible assets	18.9	19.5
Derivatives	16.6	9.2
Other non-current assets	27.2	24.0
Total non-current assets	2,759.9	1,258.0
Total assets	3,277.8	1,758.9
Current liabilities		
Trade and other payables	292.6	294.3
Lease liabilities	4.7	4.3
Derivatives	4.9	2.2
Provisions	32.3	48.0
Total current liabilities	334.5	348.8
Non-current liabilities		
Other payables	15.5	12.7
Borrowings	710.6	469.5
Lease liabilities	11.0	11.0
Derivatives	6.7	1.6
Deferred tax liabilities	38.6	25.7
Provisions	9.5	10.5
Total non-current liabilities	791.9	531.0
Total liabilities	1,126.4	879.8
NET ASSETS	2,151.4	879.1
Equity		
Contributed equity and treasury shares	1,279.5	(38.8)
Reserves	59.8	61.6
Retained earnings	812.1	856.3
TOTAL EQUITY	2,151.4	879.1

7.6. Related party transactions

The related parties identified by the Directors include investments and Key Management Personnel.

Details of investment in subsidiaries are disclosed in note 6.2 and details of the Orora Employee Share Trust are provided in note 6.3. The Group does not hold any interests in associates or joint ventures.

7.6.1. Parent entity

The ultimate parent entity within the Orora Group is Orora Limited, which is domiciled and incorporated in Australia. Transactions with entities in the wholly-owned Orora Group are made on normal commercial terms and conditions and during the year included:

- purchases and sales of goods and services;
- advancement and repayment of loans;
- interest expense paid by Orora Limited for money borrowed;
- transfer of tax-related balances for tax consolidation purposes;
- provision of transactional banking facilities on behalf of subsidiaries;
- payment and receipt of intercompany dividends; and
- provision of payroll, superannuation, share-based remuneration and managerial assistance.

7.6.2. Other related parties

Contributions to superannuation funds on behalf of employees are disclosed in note 1.5. Employee private bonds, recognised on the acquisition of Saverglass are disclosed in note 2.3.

7.7. Key Management Personnel

Key Management Personnel (KMP) consists of Orora Limited Executive and Non-Executive Directors and the Chief Financial Officer. Key Management Personnel compensation is as follows:

$ thousand	2024	2023
Short-term employee benefits	**4,271**	4,079
Long-term employee benefits	**99**	58
Post employment benefits	**156**	146
Share-based payment expense	**1,291**	1,269
	5,817	5,552

Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors' Report. Apart from the information disclosed in this note, no Director has entered into a material contract with the Group this financial year and there were no material contracts involving Directors' interests existing at year end (2023: nil).

At 30 June 2024, no individual KMP or related party holds a loan with the Group (2023: nil).

Section 7: Other notes to the financial statements (continued)

7.8. New and amended accounting standards and interpretations

7.8.1. Adopted from 1 July 2023

All new and amended Australian Accounting Standards and Interpretations mandatory from 1 July 2023 to the Group have been adopted, including:

- AASB 17 *Insurance contracts*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates*

The Group has no transactions that are affected by the newly effective standards, or the Group's accounting policies are already consistent with the new requirements. As such the adoption of the amending standards has not resulted in a change to the financial results or position of the Group.

AASB 2021-5 *Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

AASB 2021-5 amends AASB 112 *Income Taxes* and clarifies that the initial recognition exemption (from recognising deferred tax assets and liabilities) does not apply to transactions that give rise to equal and offsetting temporary differences. Upon application of this amendment the Group is required to recognise a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition for transactions like leases (lease liability and right-of-use asset) and decommissioning provisions (provision and property, plant and equipment).

The amendments do not change the value of deferred tax recognised in respect of these single transactions however deferred tax on such items will now be recognised and disclosed on a gross basis. Upon applicable of the amending standard the Group has restated the deferred taxes presented in Section 4 to gross up for the deferred tax asset and deferred tax liability positions, including restatement of the prior year comparative.

AASB 2023-2 *Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules*

AASB 2023-2 introduces a mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The mandatory exception applies retrospectively. As a result the Group will account for the impacts of the top-up tax only in consideration of current taxes if it is incurred from 1 July 2024.

The amendments also introduce targeted disclosure requirements in respect of an entity's exposure to incomes taxes arising from the reform particularly during periods where legislation implementing the rules is yet to come into effect across impacted jurisdictions.

Based on a preliminary analysis of the Orora's tax profile undertaken at 30 June 2024 the Group should be eligible to elect to apply OECD transitional safe harbour rules and subsequent would not subsequently be subject to any Pillar Two top-up taxes in the FY24 income year. Refer to Section 4 for further information.

7.8.2. Issued but not yet effective

AASB 2023-1 *Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

AASB 2023-1 introduces additional disclosures in respect of supplier finance arrangements that are aimed to enable users of the financial statements to assess how supplier finance arrangements affect an entity's liabilities, cash flows and exposures to liquidity risk.

The amendments will require the following additional information to be provided:

- the terms and conditions of the arrangements,
- the carrying amount of the liabilities that are part of the arrangements,
- the carrying amounts of those liabilities for which the suppliers have already received payment from the finance providers, and
- the range of payment due dates and the effect of non-cash changes.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted. At the date of adoption, the Group will be required to provide the additional information required by the amendments.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 introduces key presentation and disclosure requirements to improve the information contained within the financial statements with the aim to provide better information enabling financial statement users to make better decisions.

The amendments to disclosure requirements include:

- newly defined subtotals in the income statement requiring income and expenses to be classified into operating, investing and financing categories, including two newly defined subtotals - operating profit and profit before financing and income taxes;
- disclosure of management-defined performance measures;
- enhance requirements for grouping (aggregation or disaggregation) of information.

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and as a result the requirements of AASB 101 have either been replaced by new requirements in AASB 18 or transferred to AASB 18 or other relevant Australian Accounting Standards. The new standard is effective for annual periods beginning on or after 1 January 2027; early adoption is permitted.

The new disclosure requirements of AASB 18 are expected to impact the financial statement disclosures of the Group. An assessment is currently being undertaken to identify the potential presentational changes within the Group's financial statements.

The following new and amending accounting standards issued by the AASB that are not yet effective are available for early adoption but have not been applied in preparing this financial report. These standards are not expected to have a significant impact upon the Group's consolidated financial statements:

- AASB 2020-1 and AASB 2020-6 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- AASB 2022-5 *Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- AASB 2023-5 *Amendments to Australian Accounting Standards - Lack of Exchangeability*

Consolidated entity disclosure statement as at 30 June 2024

Entity name	Country of incorporation	Entity type	Tax jurisdiction	% share capital held
Australian tax jurisdiction entities				
Orora Limited	Australia	Body Corporate	Australia	
Orora Packaging Australia Pty Ltd	Australia	Body Corporate	Australia	100%
AGAL Holdings Pty Limited	Australia	Body Corporate	Australia	100%
Orora Investments Pty Ltd (formerly Envirocrates Pty Ltd)	Australia	Body Corporate	Australia	100%
ACN002693843 Box Pty Ltd	Australia	Body Corporate	Australia	100%
Chapview Pty Ltd	Australia	Body Corporate	Australia	100%
Orora Closure Systems Pty Ltd	Australia	Body Corporate	Australia	100%
Saverglass Australia Pty Ltd	Australia	Body Corporate	Australia	100%
Orora Employee Share Trust[1]	Australia	Trust	Australia	n/a
Foreign tax jurisdiction entities				
Orora New Zealand Team Member Share Plan Trust[1]	New Zealand	Trust	New Zealand	n/a
Orora NZ Holdings Limited	New Zealand	Body Corporate	New Zealand	100%
Orora Packaging New Zealand Limited	New Zealand	Body Corporate	New Zealand	100%
Kent H. Landsberg Europe Limited	United Kingdom	Body Corporate	United Kingdom	100%
Kent H Landsberg Europe Limited Magyarorszagl Fioktelep	Hungary	Branch	Hungary	n/a
Orora DGP[1]	United States	Partnership	United States	n/a
Landsberg Orora	United States	Body Corporate	United States	100%
Orora Texas LLC	United States	Body Corporate	United States	100%
APD California LLC	United States	Body Corporate	United States	100%
Box Builders. Inc	United States	Body Corporate	United States	100%
Corrugated Service Orange Inc	United States	Body Corporate	United States	100%
Hanson Staple Company Inc	United States	Body Corporate	United States	100%
KDS Printing and Packaging Inc	United States	Body Corporate	United States	100%
Zetco Inc	United States	Body Corporate	United States	100%
Orora Packaging Texas LP[1]	United States	Partnership	United States	n/a
Kent H Landsberg Co of El Paso LP[1]	United States	Partnership	United States	n/a
Kent H Landsberg Co of Illinois LLC	United States	Body Corporate	United States	100%
Frantis Manufacturing Company Inc	United States	Body Corporate	United States	100%
Landsberg Operating Co LLC	United States	Body Corporate	United States	100%
Pollock Investments Incorporated	United States	Body Corporate	United States	100%
The Anle Box & Paper Company of Indiana Inc	United States	Body Corporate	United States	100%
Orora LLC	United States	Body Corporate	United States	100%
Orora Visual Holdings LLC	United States	Body Corporate	United States	100%
Orora Visual LLC	United States	Body Corporate	United States	100%
Orora Packaging Solutions	United States	Body Corporate	United States	100%
Kent H. Landsberg (Shanghai) Co. Ltd	China	Body Corporate	China	100%
Kent H. Landsberg Singapore Pte Ltd	Singapore	Body Corporate	Singapore	100%
Kent H Landsberg Singapore Pte Ltd	Taiwan	Branch	Taiwan	n/a
Kent H Landsberg Singapore Pte Ltd	Malaysia	Branch	Malaysia	n/a
Landsberg Canada Inc	Canada	Body Corporate	Canada	100%
Orora de Mexico, S.A. de C.V.	Mexico	Body Corporate	Mexico	100%
Kent H Landsberg Co De Mexico S.A de C.V.	Mexico	Body Corporate	Mexico	100%
Sunclipse de Mexico S.A. de C.V.	Mexico	Body Corporate	Mexico	100%
OF Holdings SAS[2]	France	Body Corporate	France	100%
Saverglass SAS	France	Body Corporate	France	100%
Alphadec SAS	France	Body Corporate	France	100%
Alphaglass SAS	France	Body Corporate	France	100%
Saverglass Orora France Services	France	Body Corporate	France	100%
Societe Nouvelle des Verreries d'Amerique	France	Body Corporate	France	100%
Tourres et Cie SAS	France	Body Corporate	France	100%

(1) The Company directly or indirectly has 100% ownership interest in these entities.
(2) On 1 December 2023, the Group acquired 100% of Olympe SAS through the acquisition of the Saverglass SAS Group (refer note 6.1); during the period the entity Olympe SAS was merged with OF Holdings SAS.

Entity name	Country of incorporation	Entity type	Tax jurisdiction	% share capital held
Foreign tax jurisdiction entities (continued)				
Saverplus SARL	France	Body Corporate	France	100%
OMEGA Immobiliere et Financiere	Belgium	Body Corporate	Belgium	100%
MD Verre	Belgium	Body Corporate	Belgium	100%
Saverglass Inc	United States	Body Corporate	United States	100%
Distribuidora Saverglass Limitada	Chile	Body Corporate	Chile	100%
Saverglass S de RL de CV	Mexico	Body Corporate	Mexico	100%
Saverglass Services Mexico, S de RL de CV	Mexico	Body Corporate	Mexico	100%
Saverglass LLC	UAE	Body Corporate	UAE	100%
Saverglass Iberica Unipessoal	Portugal	Body Corporate	Portugal	100%
Saverglass Iberica Unipessoal	Spain	Branch	Spain	n/a
Saverglass Pty Ltd	South Africa	Body Corporate	South Africa	100%
Saverglass (NZ) Ltd	New Zealand	Body Corporate	New Zealand	100%
Saverglass Italia s.r.l	Italy	Body Corporate	Italy	100%
Moldeco SAS Unipersonnelle	France	Body Corporate	France	100%
Lancon Produits Industriels SA à conseil d'administration	France	Body Corporate	France	100%
Collver SARL SA à conseil d'administration	France	Body Corporate	France	100%
Nusbaumer S.N. SA à conseil d'administration	France	Body Corporate	France	100%
Fonderie Caffier Barreau SAS Unipersonnelle	France	Body Corporate	France	100%
La Voie Royale SARL	France	Body Corporate	France	100%
Le Grand Parcours Société Civile	France	Body Corporate	France	100%

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency - the Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.
- Foreign tax residency - the Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Directors' declaration

1. In the opinion of the Directors of Orora Limited (the Company):
   (a) the financial statements and notes, the consolidated entity disclosure statement, and the Remuneration Report within the Directors' Report, are in accordance with the *Corporations Act 2001* including:
      i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
      ii. giving a true and fair view of the Orora Group's financial position as at 30 June 2024 and its performance for the year ended on that date;
      iii. the information contained within the consolidated entity disclosure statement is true and correct as at 30 June 2024; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. Within the notes to the financial statements it is confirmed that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
3. At the date of this declaration, there are reasonable grounds to believe that the Company and the consolidated entities identified in note 7.5 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those consolidated entities pursuant to *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785*.
4. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Managing Director and Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors.

A R Sindel
Chair

14 August 2024

Independent Auditor's Report to the members of Orora Limited

Independent Auditor's Report

To the shareholders of Orora Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Orora Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group's*** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated cash flow statement for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of intangible assets
- Acquisition accounting

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Valuation of intangible assets ($1,732.3m)	
Refer to Note 3.7 Intangible assets and Note 3.8 Impairment of non-financial assets to the financial report	
The key audit matter	**How the matter was addressed in our audit**
Valuation of intangible assets is a key audit matter due to: • The size of the balance (being 29% of total assets). • Current economic and industry conditions impacting the earnings of certain CGU's (cash generating unit). • The inherent complexity in auditing the forward-looking assumptions applied to the Group's value in use models for each CGU given the significant judgement involved. In particular, the forward-looking assumptions including forecast operating cash flows, growth rates and terminal growth rates and the impact of market conditions and volatility in the current year and forecast period cash flows, increasing the risk of future fluctuations and inaccurate forecasting. • The significant judgement associated with discount rates, including the underlying risks of each CGU and the countries they operate in. • The reorganisation of the Group's CGUs to which goodwill is allocated as a result of the acquisition of Saverglass, which necessitated our consideration of the Group's allocation of goodwill to the CGUs.	Our procedures included: • We considered the appropriateness of the value in use method applied by the Group to perform the annual test of intangible assets for impairment against the requirements of the accounting standards. • We, along with our valuation specialists, assessed the integrity of the value in use models used, including the accuracy of the underlying calculation formulas. • We compared the key cash flow forecasts and underlying assumptions contained in the value in use models against the latest Board approved plan. • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models. • We challenged the Group's significant forecast cash flow assumptions in light of current market conditions. We compared forecast growth rates and terminal growth rates to published studies of industry trends and expectations and considered differences for the Group's operations. We used our knowledge of the Group, its business, customers and past performance, our industry experience, and understanding of the relevant economic environment. • Working with our valuation specialists, we analysed the Group's discount rate for each CGU against publicly available data for comparable entities. • We considered the sensitivity of the models by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those groups of CGUs at higher risk of impairment and to focus our further procedures. • We considered the Group's determination of CGUs against the requirements of the accounting standards, including the re-allocation of goodwill to CGUs during the year, based on our understanding of the business and changes to the Group's management and monitoring activities. • We assessed the related financial statement disclosures using the understanding obtained from our testing against the requirements of the accounting standards.

Acquisition accounting (purchase consideration of $2,276.2m)	
Refer to Note 6.1 Saverglass acquisition to the financial report	
The key audit matter	**How the matter was addressed in our audit**
On 1 December 2023, the Group completed the acquisition of Saverglass, which is considered to be a key audit matter due to the: • Size of the acquisition having a significant impact on the Group's financial statements. • Judgement and complexity involved relating to the determination of the fair values of assets and liabilities acquired in the transaction requiring significant audit effort. The Group engaged an external valuation expert to assess the fair value of certain assets including property, plant and equipment, brand and customer relationships. • Group's valuation model used to determine the fair value of acquired intangibles assets is complex and sensitive to changes in a number of key assumptions. This drives additional audit effort specifically on the feasibility of these key assumptions and consistency of application to the Group's strategy. The key assumptions we focused on in the valuations of intangible assets included forecast earnings, terminal growth rates and discount rates. We involved our valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • We evaluated the acquisition accounting by the Group against the requirements of the accounting standards. • We read the underlying transaction agreements to understand the terms of the acquisition and nature of the assets and liabilities acquired. • We assessed the accuracy of the calculation and measurement of consideration paid to acquire Saverglass based on the underlying transaction agreements and the Group's bank statements. • Working with our valuation specialists, we assessed the Group's external expert report and: - Considered the objectivity, competence and scope of the Group's external valuation experts; - Evaluated the valuation methodology used to determine the fair value of assets and liabilities acquired, considering accounting standard requirements and observed industry practices; - Evaluated the calculation methodology for the discount rate, against observed industry practice; - Compared a sample of the Group's external expert property, plant and equipment valuation reports to underlying fixed asset schedules of the acquiree; - Assessed the key assumptions in the Group's external valuation expert report prepared in relation to the identification and valuation of the Saverglass brand and customer relationships including: o checking forecast earnings assumptions for consistency with the Group's valuation model used as part of the pre-acquisition due diligence process; o assessing key customer contracts by using our industry experience and knowledge of the terms and conditions of a sample of the underlying agreements and against the accounting standard requirements. • We recalculated the goodwill balance recognised as a result of the transaction and compared it to the goodwill amount recorded by the Group. • We assessed the adequacy of disclosures in the financial report using our understanding of the transaction obtained from our testing and against the requirements of the accounting standard.

KPMG

Other Information

Other Information is financial and non-financial information in Orora Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Orora Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 59 to 73 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Penny Stragalinos
Partner

Melbourne

14 August 2024

Statement of shareholdings

Statement pursuant to Australian Securities Exchange official list requirements.

Top 20 shareholders as at 26 July 2024

Rank	Name	Shares held	% of issued capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	341,897,777	25.45
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	289,768,306	21.57
3	CITICORP NOMINEES PTY LIMITED	287,209,036	21.38
4	NATIONAL NOMINEES LIMITED	56,103,448	4.18
5	BNP PARIBAS NOMINEES PTY LTD	42,777,701	3.18
6	BNP PARIBAS NOMS PTY LTD	10,645,258	0.79
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,467,971	0.70
8	CITICORP NOMINEES PTY LIMITED	7,532,762	0.56
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	7,351,129	0.55
10	BNP PARIBAS NOMINEES PTY LTD	6,701,554	0.50
11	PACIFIC CUSTODIANS PTY LIMITED	4,881,619	0.36
12	NETWEALTH INVESTMENTS LIMITED	4,700,818	0.35
13	PACIFIC CUSTODIANS PTY LIMITED	4,105,297	0.31
14	BNP PARIBAS NOMINEES PTY LTD	3,675,215	0.27
15	UBS NOMINEES PTY LTD	3,458,628	0.26
16	BKI INVESTMENT COMPANY LIMITED	3,442,804	0.26
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,436,083	0.18
18	BNP PARIBAS NOMS (NZ) LTD	2,114,883	0.16
19	SANDHURST TRUSTEES LTD	1,800,000	0.13
20	NETWEALTH INVESTMENTS LIMITED	1,740,694	0.13
Total		**1,091,810,983**	**81.27**

Substantial shareholders as at 26 July 2024

Holder	Last Notice of Substantial Shareholding	No. of Shares
Perpetual Limited	2 February 2024	85,385,650
State Street Corporation	9 April 2024	82,939,094
The Vanguard Group Inc	19 April 2024	80,646,360
United Super Pty Ltd	12 July 2024	67,718,456
Allan Gray Australia Pty Ltd	17 July 2024	155.084,834

Distribution of shareholdings

Fully paid ordinary shares as at 26 July 2024

Range	No. of holders	No. of shares	% of issued capital
100,001 and over	186	1,133,862,346	84.40
10,001 to 100,000	5,212	117,907,318	8.78
5,001 to 10,000	5,577	40,662,397	3.03
1,001 to 5,000	17,708	43,851,360	3.26
1 to 1,000	14,674	7,216,518	0.54
Total	43,357	1,343,499,939	100.00
Unmarketable parcels	3,236	356,318	0.03

Voting rights

Votes of shareholders are governed by Rules 17 and 18 of the Company's Constitution. In broad summary, but without prejudice to the provisions of these rules, on a show of hands every shareholder present shall have one vote and upon a poll every shareholder present, or by proxy or attorney, shall have one vote for every fully paid share held.

Unquoted equity securities – Issued pursuant to various Orora Limited Employee Incentive Plans as at 26 July 2024

Unquoted equity securities	No. participating	No. of securities
Options over ordinary shares - exercise price $2.08	1	226,567
Options over ordinary shares - exercise price $3.58	6	1,000,518
Rights	102	10,780,064

Five-year historical financial information

Results shown for all operations before significant items except where indicated[1]
$ million (except where indicated)

For the years ended 30 June	2024	2023	2022	2021	2020
Orora Consolidated Results					
Sales revenue	4,697.6	4,291.3	4,090.8	3,538.0	4,659.1
Operating profit before interest and tax pre significant items	404.0	320.5	285.5	249.1	288.2
Operating profit before tax pre significant items	300.9	273.0	258.8	216.3	230.4
Net operating profit pre significant items	223.7	203.0	187.1	156.7	167.3
Net operating profit after significant items	185.2	184.8	184.7	135.8	238.9
Basic earnings per share (cents) pre significant items	17.9	22.2[2]	21.7	16.9	17.4
Basic earnings per share (cents) after significant items	14.8	20.2[2]	21.4	14.6	24.8
Dividend and distribution	142.9	143.4	134.8	113.0	606.6[3]
Dividend per ordinary share (cents)	10.0	17.5	16.5	14.0	49.3[3]
Dividend franking (% p.a.)	-	-	-	-	30%/50%[4]
Dividend cover (times)	18.5	10.6	11.2	9.7	4.8
Financial Ratios					
Net tangible asset backing per share ($)	0.24[5]	0.41[6]	0.33[7]	0.37[8]	0.60[9]
Net EBITDA interest cover pre significant items (times)	6.0	9.3	15.1	11.2	7.6
Gearing (net debt/net debt and shareholders' equity) (%)	46%	49%	46%	37%	22%
Return on average funds employed (%)[10]	14.3%	21.8%	22.4%	19.9%	11.9%
Financial Statistics					
Income from dividends and interest	12.9	1.4	0.6	0.2	0.6
Depreciation and amortisation provided during the year	212.4	123.0	117.9	120.2	149.2
Net finance costs	103.1	47.5	26.7	32.8	57.8
Cash flow from operations	387.6	250.3	257.6	270.6	17.7
Capital expenditure and acquisitions	2,419.6	189.7	92.2	59.0	174.3
Balance Sheet Data as at 30 June					
Current assets	1,934.7	1,257.7	1,307.7	980.8	1,055.4
Non-current assets	4,058.0	1,544.1	1,401.1	1,343.8	1,442.8
Total assets	5,992.7	2,801.8	2,708.8	2,324.6	2,498.2
Current liabilities	1,218.6	1,084.9	1,122.3	806.3	817.1
Non-current liabilities	2,682.4	916.7	854.8	749.7	650.9
Total liabilities	3,901.0	2,001.6	1,977.1	1,556.0	1,468.0
Net assets	2,091.7	800.2	731.7	768.6	1,030.2
Shareholders' equity					
Contributed equity and treasury shares	1,279.5	(38.8)	(37.3)	80.8	333.6
Reserves	98.4	167.5	138.9	107.6	139.2
Retained profits	713.8	671.5	630.1	580.2	557.4
Total shareholders' equity	2,091.7	800.2	731.7	768.6	1,030.2
Other data as at 30 June:					
Fully paid shares (000's)	1,343,500	845,352	845,352	890,240	965,363
Orora share price					
- year's high ($)	3.69	3.70	4.00	3.33	3.45
- year's low ($)	1.93	2.84	3.06	2.23	2.54
- close ($)	1.97	3.29	3.65	3.33	2.54
Market capitalisation	2,646.7	2,781.2	3,085.5	2,964.5	2,452.0
Employee numbers	7,533	4,657	4,820	3,768	3,776
Number of shareholders	43,321	39,966	40,646	44,653	52,694

(1) The financial information in the above table is presented on a total operations basis and therefore the period FY20 includes the financial results of the Australasian Fibre business that was divested in April 2020.
(2) The earnings per share for FY23 has been restated to reflect the bonus element of the share issue that occurred during the period (refer notes 1.3 and 6.1).
(3) A special dividend of 37.3 cents, 50% franked, was paid on 29 June 2020.
(4) The FY20 final dividend was unfranked, FY20 special dividend was 50% franked, FY20 interim dividend was 30% franked.
(5) The net tangible asset backing per ordinary share is inclusive of right-of-use assets and liabilities. This measure would reduce to negative $0.02 if right-of-use assets were excluded and right-of-use liabilities were included in the calculation.
(6) The net tangible asset backing per ordinary share is inclusive of right-of-use assets and liabilities. This measure would reduce to $0.20 if right-of-use assets were excluded and right-of-use liabilities were included in the calculation.
(7) The net tangible asset backing per ordinary share is inclusive of right-of-use assets and liabilities. This measure would reduce to $0.13 if right-of-use assets were excluded and right-of-use liabilities were included in the calculation.
(8) The net tangible asset backing per ordinary share is inclusive of right-of-use assets and liabilities. This measure would reduce to $0.15 if right-of-use assets were excluded and right-of-use liabilities were included in the calculation.
(9) The net tangible asset backing per ordinary share is inclusive of right-of-use assets and liabilities. This measure would reduce to $0.38 if right-of-use assets were excluded and right-of-use liabilities were included in the calculation.
(10) Return on average funds employed (RoAFE) is calculated as EBIT divided by average funds employed.

Shareholder information

Shareholder enquiries

Shareholders seeking information about their shareholding or dividends should contact Orora's Share Registry, MUFG Corporate Markets (previously known as Link Market Services Limited) Contact details can be found on the inside back cover of this report. For security and privacy reasons, before contacting the Share Registry, shareholders should have their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) available.

Shareholders can also access a wide variety of holding information via MUFG Corporate Markets website: www.linkmarketservices.com.au and make changes either online or by downloading a form.

These changes include:

- choosing the preferred method of receiving the Annual Report, Notice of Meeting and payment statements
- checking holding balances
- updating address details
- providing an email address
- updating or providing bank details
- electing to participate in the DRP.

Stock Exchange listing

Orora Limited shares are listed on the Australian Securities Exchange (ASX) and are traded under the code ORA.

Annual General Meeting

The Annual General Meeting of Orora Limited will be held at 10.30am (Melbourne time: AEST) on 16 October 2024.

Formal notice of the Meeting is sent to each shareholder.

Orora publications and communications

The Annual Report is mailed in mid-September only to those shareholders who have previously requested to receive hard copies of the document.

If you have previously requested a printed copy of the Annual Report, but no longer require it in printed form, please update your preference online with MUFG Corporate Markets or advise in writing. To view this report online, or to download a copy, visit Orora's website: www.ororagroup.com.

Orora's website, www.ororagroup.com offers shareholders details of the latest share price, announcements made to the ASX, including half-year and full-year results, investor and analyst presentations and many other publications that may be of interest.

Dividend Reinvestment Plan (DRP)

The DRP provides shareholders in Australia and New Zealand with the opportunity to reinvest their dividends to acquire additional Orora shares. Shares acquired under the DRP rank equally with existing fully paid ordinary shares.

Full details of the DRP and a DRP election form are available from Orora's Share Registry or from Orora's website.

Dividends

Orora normally pays dividends around April and October each year. Shareholders should retain all remittance advice relating to dividend payments for tax purposes.

Direct deposit to a bank, building society or credit union account

Shareholders can receive their dividends directly into a nominated bank, building society or credit union account held in Australia, the United States of America or New Zealand.

The currency selected must match the location of the financial institution. For example, NZD can only be paid into an account held with a financial institution located in New Zealand.

Shareholders can provide or update banking details online at Orora's Share Registry at: www.linkmarketservices.com.au.

Cheque payable to international shareholders (other than New Zealand)

International shareholders (other than shareholders domiciled in New Zealand) who do not have an account with an Australian or United States financial institution will receive their dividends by Australian dollar cheque.

Lost or stolen cheques should be reported immediately in writing to Orora's Share Registry to enable a 'stop payment' and replacement.

In addition, eligible shareholders can choose to have their dividend earnings reinvested in Orora shares.

Corporate directory and financial calendar 2024-2025

Orora Limited

Registered office and principal administrative office:
109-133 Burwood Road
Hawthorn Victoria 3122
Australia

Telephone: +61 3 9116 1711
Website: www.ororagroup.com

ABN: 55 004 275 165

Chair
Mr A R Sindel

Managing Director and Chief Executive Officer
Mr B P Lowe

Chief Financial Officer
Mr S C Hughes

Company Secretary
Ms A L Stubbings

Alternative Company Secretary
Ms S E Jobling Hodgens

Auditors

KPMG
Tower Two
Collins Square
727 Collins Street
Melbourne Victoria 3008
Australia

Postal Address:
GPO Box 2291U
Melbourne Victoria 3001
Australia

Telephone: +61 3 9288 5555
Facsimile: +61 3 9288 6666
DX: 30824 Melbourne
Website: www.kpmg.com.au

ABN: 51 194 660 183

Orora share registry

MUFG Corporate Markets (previously known as Link Market Services Limited)

Street address:
Tower 4, Collins Square
727 Collins Street
Melbourne Victoria 3008
Australia

Postal address:
Locked Bag A14
Sydney South NSW 1235
Australia

Telephone: +61 1300 554 474
(toll free within Australia)
Facsimile: +61 2 9287 0303
Email:
orora@linkmarketservices.com.au
Website:
www.linkmarketservices.com.au

Financial calendar 2024-2025

Financial year 2024 (FY24) ends	30 June 2024
Announcement of full-year results for FY24	14 August 2024
Ex-dividend date for final dividend FY24	30 August 2024
Record date for final dividend FY24	2 September 2024
Dividend payment date for FY24 final dividend	8 October 2024
Annual General Meeting	16 October 2024
Financial half-year 2025 ends	31 December 2024
Announcement of interim results for financial year 2025 (FY25)	February 2025
Ex-dividend date for interim dividend FY25	March 2025
Record date for interim dividend FY25	March 2025
Dividend payment date for FY25 interim dividend	April 2025
Financial year 2025 (FY25) ends	30 June 2025

If any amendments to this Annual Report are required, they will be disclosed to the ASX and posted on Orora's website under the Investor section at ororagroup.com/investors

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